



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
www.ladpw.org

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE

REFER TO FILE: **EP-2**
A1332

December 16, 2004

TO: Each Supervisor

FROM: Donald L. Wolfe
Interim Director of Public Works

TRANSPORTATION OF CITY OF LOS ANGELES SOLID WASTE TO ANTELOPE VALLEY LANDFILLS AND RIVERSIDE COUNTY BOARD MOTION OF NOVEMBER 16, 2004, SYNOPSIS 63-A

On November 16, 2004, your Board instructed Public Works to attend the joint meeting of the Budget and Finance and Environmental Quality and Waste Management Committees of the Los Angeles City Council to be held on that same day. Public Works was specifically instructed to share your Board's potential concerns involving the trucking of the City of Los Angeles' trash to the Antelope Valley and Riverside County before any action is taken by the City and report back to the Board. The following provides a brief summary of the meeting and a more detailed report is attached.

The Joint Committee considered two reports regarding solid waste disposal options for City-collected solid waste. The subject reports were a joint City Administrative Officer (CAO)/Chief Legislative Analyst (CLA) report dated October 21, 2004, and a City of Los Angeles Department of Public Works/Bureau of Sanitation report dated September 15, 2004.

The Joint Committee did not make a decision on the matter because they did not have sufficient information to compare all costs associated with the current procedures/contract and the proposed alternatives and postponed its decision until they receive the final, complete report from the Bureau of Sanitation. Bureau representatives indicated they could submit, by January 2005, a final report which reconciles all issues and addresses each point made in the CAO/CLA report and includes best and final offers from the top proposer (Waste Management, Inc.).

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The Committee accepted public testimony during which Public Works staff shared the County's potential concerns regarding the disposal options under consideration by the City. The Joint Committee Chair, Councilmember Bernard Parks, indicated that on November 17, 2004, the City's Board of Public Works would be considering the Bureau's November 9 report and suggested that comments be submitted to that body also.

Staff from Public Works also attended the November 17, 2004, meeting of the City's Board of Public Works to convey the County's concerns. The Board considered a recommendation to approve and forward to the Mayor and the City Council, for final policy decision, the Bureau of Sanitation's November 9, 2004, report on solid waste disposal options. At the meeting, the Bureau of Sanitation requested a change in their recommendation which would direct the Bureau to complete its analysis of all costs associated with each disposal alternative, complete contract negotiations (with best and final offer from the top proposer), and submit a final, complete report within 45 days. This revised recommendation was approved by the Board with no dissent.

If you have any questions, please contact me at (626) 458-4002 or your staff may contact Shari Afshari, Assistant Deputy Director, Environmental Programs Division, at (626) 458-3500, Monday through Thursday, 7 a.m. to 5:30 p.m.

CR:my
P:\sec\A1332

Attach.

cc: Chief Administrative Office
Executive Office

SUMMARY

Joint Meeting of the City of Los Angeles Budget and Finance and Environmental Quality and Waste Management Committees

November 16, 2004

And

City of Los Angeles Board of Public Works Meeting

November 17, 2004

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On November 16, 2004, the Board of Supervisors instructed the County Department of Public Works to attend the joint meeting of the Budget and Finance and Environmental Quality and Waste Management Committees of the Los Angeles City Council. Public Works was specifically instructed to share the Board's potential concerns involving the trucking of the City of Los Angeles' trash to the Antelope Valley and Riverside County before any action is taken by the City and report back to the Board.

As instructed, Public Works staff attended the subject joint meeting on Tuesday, November 16, 2004, to convey your Board's concerns. In addition, on the following day staff attended a meeting of the City's Board of Public Works. The following provides a report from both meetings.

Joint meeting of the City of Los Angeles Budget and Finance and Environmental Quality and Waste Management Committees (November 16, 2004, 3:00 p.m.)

Item 1 of the Joint Committee's agenda (File 03-0600-S51) was to consider two reports regarding solid waste disposal options for City-collected solid waste. The subject reports were a joint City Administrative Officer (CAO)/Chief Legislative Analyst (CLA) report to the City's Budget and Finance Committee dated October 21, 2004, and a City of Los Angeles Department of Public Works report dated September 15, 2004.

The Committee heard a presentation from the CAO's office which summarized the issues raised in the joint CAO/CLA report dated October 21, 2004 (**Attachment I**). The CAO/CLA report presented their evaluation of the Bureau's September 15, 2004, report and outlined major issues and concerns regarding the decision to continue or to stop using Sunshine Canyon Landfill.

These issues include the need for the Bureau of Sanitation to include in its report all costs associated with each disposal option given that a change from current procedures will require the use of transfer stations now not being used, potentially more City drivers and trucks, possible siting of new transfer facilities, changes in current City collection routes, etc.

Some Committee members emphasized that the City decision needed at this time is for a short-term "fix" to the longer-term issue of how to manage the City's solid waste. Other Committee members stated they could not make a decision on the report because they did not have sufficient information to compare all costs associated with the current procedures/contract and the proposed alternatives (since not all costs

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associated with the proposed alternatives had been included in the September 15, 2004, report). After some discussion, Bureau of Sanitation representatives (Rita Robinson, Director; and Enrique Zaldivar, Assistant Director) indicated they could submit, by January 2005, a final report which (a) reconciles all issues and addresses each point made in the CAO/CLA report, and (b) includes best and final offers from the top proposer. The Committee postponed a decision on the matter until they receive the final, complete report from the Bureau of Sanitation.

The Committee accepted public testimony during which Public Works staff shared the County's potential concerns regarding the disposal options under consideration by the City. Due to legal/procedural constraints, this Joint Committee could not discuss the Bureau of Sanitation's November 9 report. Nevertheless, the Committee Chair, Councilmember Bernard Parks, instructed Ms. Robinson to work with the County to receive our input. He also indicated that the following morning the Board of Public Works would be considering the Bureau's November 9 report and suggested that comments be submitted to that body.

Board of Public Works meeting (November 17, 2004, 9:30 a.m.)

Item 2 of the Board of Public Works agenda was to consider a recommendation to approve and forward to the Mayor and the City Council, for final policy decision, the Bureau of Sanitation's report entitled "Analysis of Responses to Request for Proposals for Disposal and/or Transfer Services for Residual Municipal Refuse Disposal at Other Solid Waste Facilities Located Outside the City Limits," dated November 9, 2004 (**Attachment II**).

The report analyzed five proposals received in response to a Request for Proposals (RFP) released by the Bureau in May 2004. Proposals were submitted by Burrtec, Inc.; Waste Management, Inc.; Southern California Disposal; BLT Enterprises, Inc.; and Community Recycling. The RFP required that each proposal address the following key considerations:

- (1) Applicable timeframe for the proposals was to be July 2006 through June 2021 to match the potential life of the existing contract with Browning Ferris Industries, Inc./Sunshine Canyon Landfill.
- (2) Proposals were to provide landfilling options for residual waste.

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- (3) Proposals were to offer only regional landfills outside the City to determine the feasibility of true available landfill capacity in the region should Sunshine Canyon Landfill not be used by the City.

The report identifies the Most Viable and Lowest Cost of the RFP options. The Most Viable Option represents the proposed scenario which is deemed to offer a reliable degree of confidence of a realistic implementation as stipulated in the RFP. This option, proposed by Waste Management, Inc., would have a 15-year cumulative cost of approximately \$833 million (an average annual cost of \$55.5 million). This option would entail transporting the City-collected waste to Antelope Valley (presumably the Antelope Valley and/or Lancaster Landfills) and/or Riverside County (El Sobrante) Landfills. According to the report, "Conditions may require disposal at El Sobrante Landfill, which may result in greater costs."

The Lowest Cost Option represents the proposed scenario which does not offer a fully reliable degree of confidence of a realistic implementation but has some degree of confidence and would yield the lowest cost of the proposed options. This option was also proposed by Waste Management, Inc., and would have a 15-year cumulative cost of approximately \$683 million (an average annual cost of \$45.5 million). It would entail utilization of a transfer station facility at Bradley Landfill (which is currently in the permitting process) and disposal primarily at Antelope Valley landfills. However, Bureau of Sanitation staff does not anticipate that the transfer station would be operational by July 1, 2006.

In comparison, the report indicates that under the Baseline Scenario (the existing contract with Browning Ferris Industries), the City would pay approximately \$530 million over 15 years (an average of \$35.3 million annually). The report states it is the City's firm and unequivocal position that the said BFI contract is in full effect now and would remain in full effect through June 30, 2006. Applicability of the subsequent renewal options beyond 2006 would depend solely on the City's decision.

The report emphasizes that given the imminent reduction in available landfill capacity in the region in the next 15 years, "it is paramount, no matter what disposal option is ultimately selected by the City in this process, that we secure landfill capacity for the next fifteen years." The stability afforded by doing so would give the City time to fully develop and implement the City's Solid Waste Integrated Resources Plan, pursue Conversion Technologies, maximize their recycling potential, and fully develop the City's own infrastructure for the eventual rail haul of the residual solid waste that

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remains. The report concludes that at least two options exist for the disposal of City-collected solid waste outside the City's boundaries (the most viable and lowest cost options discussed above).

Enrique Zaldivar, Assistant Director of the Bureau of Sanitation, addressed the Board. He indicated the Bureau was charged with truly looking at all the options available to the City for managing City-collected waste and he believed the Bureau has done so. Mr. Zaldivar indicated that there are other alternatives to utilizing Sunshine Canyon Landfill and "the report tells what it means to choose any of the alternatives." He further stated that the report would provide the City with a basis to make policy decisions on the matter. However, recognizing that additional cost and other analyses need to be done (as pointed out by the CAO/CLA in their October 21, 2004, report), he indicated that the Bureau would like to request a change in their recommendation. Specifically, he requested that the Board direct the Bureau to:

- (1) Complete its analysis of all costs associated with each alternative and submit a final, complete report.
- (2) Complete contract negotiations (with best and final offer from the top proposer).

Mr. Zaldivar indicated the Bureau needed no more than 45 days to do the above. This recommendation was approved by the Board with no dissent.

Staff from Public Works also conveyed the County's potential concerns to the Board. The Board accepted the testimony with no questions asked.

Report Approval Process

As directed by the Board of Public Works and the Joint Committee, the Bureau of Sanitation will be seeking a "best and final" offer from the top proposer. After the Bureau finalizes the report, it will submit the information to the Board of Public Works. Subsequent to the Board's approval, the report will be assigned to the Environmental Quality and Waste Management and Budget and Finance Committees. Upon their approval, the report will be submitted to the Mayor and City Council for a policy decision.

Attachment I

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0590-00098-2538

Date: October 21, 2004

To: The Budget and Finance Committee

From: William T Fujioka, City Administrative Officer

Ronald F. Deaton, Chief Legislative Analyst

Subject: **SOLID WASTE DISPOSAL OPTIONS**

The City is facing a critical juncture in its solid waste collection and disposal programs. The Mayor has directed the Bureau of Sanitation (Bureau) to evaluate alternatives to the disposal of City collected refuse at Sunshine Canyon Landfill (SCL). To meet this goal, the Bureau issued two different Request for Proposals (RFP). The first of these will provide information on the costs to replace the City's current Agreement with Browning-Ferris Industries (BFI) for the disposal of refuse at SCL. This RFP is currently under evaluation by the Bureau and a comprehensive report will be forthcoming in November 2004. The second RFP was issued for a study of available alternative technologies to disposing of refuse in a landfill. This study, which is expected to be completed in December 2004, will provide information on the various different technologies available to convert refuse into some other form and the viability of those methods for the City's waste stream.

The residents in the communities immediately surrounding SCL want to close the facility. They view this facility as a significant quality of life issue, primarily due to air quality, water quality and traffic concerns. If the facility were to close, there would be a reduction in heavy duty refuse collection vehicles traveling to the facility as well as a reduction in odors emanating from the facility. We believe that there is the perception or belief that if the City were to cease using SCL, that the facility would close. We do not believe that this would be the case.

This Committee requested an evaluation of the Bureau of Sanitation report dated September 15, 2004. There are significant costs and operational impacts associated with the decision to cease disposal in SCL as disposal costs, also known as Tip Fees, now cost the City approximately \$32 million per year for some 989,000 total tons per year. SCL alone accounts for 97 percent of these figures. Additionally, the City realized cost savings several years ago when it began "direct hauling" much of the City refuse to SCL, avoiding the costs of transfer stations. This operational alternative is unlikely to be continued if the City changes to use of landfills at more distant sites. All Tip Fees are funded by the General Fund.

With this minimal background, this report will outline major issues and concerns surrounding the decision to continue or to stop using Sunshine Canyon Landfill.

- 1) **The City must notify BFI by June 30, 2005, of its intention to extend the Agreement or not.** The City's first opportunity to opt out of our Agreement with BFI is June 30, 2006. However, the Agreement provisions require the City to notify BFI by June 30, 2005 of our intention to either extend for the second of four five-year options or to not renew. This eight month deadline will require the Mayor and Council to make a determination on this issue quickly. Not extending the Agreement will result in increased, as yet undefined, costs to dispose of City collected refuse. The Bureau's November report on the RFP mentioned above will outline costs proposed by each of the respondents to the RFP. It is hoped that the Bureau will include in this report not only the actual disposal costs but all other costs associated with each option, given that this change from current procedures will require use of transfer stations not now being used, potentially more City drivers and trucks; possible siting of new transfer or processing facilities; changes of current collection routes, etc.
- 2) **The City has yet to evaluate the potential of Alternative Technologies which were the subject of a second RFP.** Depending on the efficacy of the alternatives, there may be changes in the amounts and types of materials that can be diverted from the landfills. However, until there has been a systematic review of the issues associated with this approach and how the use of these alternatives will factor into the costs and savings to the City, we cannot weigh their value.
- 3) **In the event the BFI Agreement is not extended, the funding of much of the preparation for a change of this magnitude must be included in the 2005-06 Budget.** This will be difficult to accomplish in the 6 months between now and Council consideration of the 2005-06 Proposed Budget. Included in these costs will be negotiations with the new disposal sites, transfer stations, additional staff and trucks, if necessary, development of new tracking/planning systems, etc. At a minimum, the 2005-06 Budget would need to include an Unappropriated Balance line item to fund the new costs.
- 4) **Sunshine Canyon Landfill will not stop operating if the City ceases to use the site.** This is a privately owned landfill and BFI has already indicated their intention to find other users in the event the City opts out of the Agreement (see Attachment 1). Other haulers will be able to continue use of the landfill, the City streets and related resources. The desires of the immediate community around SCL, who would like to see the landfill close, will probably not be met by the decision of the City to stop using the landfill.
- 5) **The City's General Fund that now pays Tip Fees is also the source of funding for other critical City services.** Although the RFP will provide a more exact estimate of the disposal costs associated with leaving Sunshine Canyon, the Bureau has indicated that the various scenarios of the bid responses would increase tip fee costs alone by 20 percent to 50 percent, or approximately \$6.4 million to \$16 million. Establishing new

transfer or processing facilities, as well as other related operational needs such as additional trucks and staff, will be an additional cost.

Concerns

The most immediate decision facing the City is whether to opt out of the Agreement with BFI. The Bureau of Sanitation reports on the RFP responses must include the following critical information:

- Incremental costs by category, including any increased staffing or fleet requirements, tip fee costs, and any other pertinent cost increases needed to implement each scenario;
- Time line for implementation of each cost item (for example, if new vehicles are needed, when do they need to be purchased), including any fee increases.
- Operational issues such as hiring and training of new staff, purchasing and outfitting of new vehicles, etc.

In addition to the above, which will allow for the evaluation of the costs to change from our current disposal process, there are some other questions that we believe are pertinent to this decision. These include the following:

1. How will the City fund the increased costs associated with this change?

One option might be to amend the existing Sanitation Equipment Charge to recover the costs associated with this service. It should be noted that any rate increase would also require a public hearing process under Proposition 218, a process that takes some 90 days, in addition to the time needed to amend the Ordinance to add any additional categories of expenditures.

2. Would it be possible to renegotiate the current BFI Agreement to redefine the option periods to something less than five years?

This would allow for a longer and more thorough decision making period since the current June 30, 2005 deadline, is for budgetary purposes, just around the corner. It should be noted that this is not a unilateral decision on behalf of the City. BFI can hold us to the current terms and refuse to negotiate any change to the option periods.

3. What is the incremental cost of this renegotiation?

Since the current rate structure was based upon an estimated 20 years of City use of SCL, the rates reflect any "discounts" that BFI was willing to offer for the long term. If a shorter option period is renegotiated, it is likely that the cost per ton for disposal will increase.

4. What happens if the City renews for the next five year option but elects to opt out of the Agreement prior to the full five year term?

The City Attorney should be requested to review and provide advice regarding the City's liability for this action and the associated costs.

5. What impact does the decision to leave Sunshine Canyon have on green waste and recycling agreements?

The City has contracts with entities to process City collected green waste and recyclables. Since there can be contaminants in these bins, the contractors have to dispose of these contaminants. Does the City want to restrict these entities from also using SCL? If so, what is the impact on our existing agreements and what additional costs will the City incur?

6. Does the City want to prohibit private haulers servicing commercial and multi-family residences within the City from using Sunshine Canyon as well?

This will require input from the City Attorney regarding the ability of the City to impose such a limit given our current permitting system. If it is possible, the private haulers will likely request a modification to their permit fees, which are currently assessed at 10 percent of gross revenues. Since this action would increase their operating costs, it would be reasonable to assume that they will want to have these increased costs in some way incorporated into the fee structure, thereby reducing revenues to the City. These permit fees are used to develop recycling programs for those serviced by the private haulers and any reduction in revenue would adversely affect these program.

7. If the true goal is to close Sunshine Canyon, what would it take to do that?

Given that we are not the only users of this facility, there may be significant impediments to closing this facility.

8. What other negative impacts might there be if the City opts out of Sunshine Canyon?

If the owner is successful in contracting with other agencies (and we believe this is likely due to other recent landfill closures), the surrounding community may be more negatively impacted than it currently is due to increased truck traffic. It is unclear if this new truck traffic would consist of alternative fuel vehicles, as is commonly utilized by the City's fleet. Other jurisdictions and private hauler fleets are either not subject to the air quality regulations or have not fully integrated alternative fuel vehicles into their disposal fleets. Further, this impact may extend beyond the immediate community as the City's exit from the facility would allow the owner to take trash from entities outside of Los Angeles County. Currently, the owner is prohibited from taking trash from outside Los Angeles County as a term of our contract with BFI.

9. Would the City be locked into minimum tonnage levels for any replacement agreement(s) to the one with BFI?

If the City does switch to another provider for disposal, we would need to ensure that any agreement would allow for the City to reduce tonnage levels in the event we are able to implement some type of alternative technology. It should be anticipated that any provisions allowing for this reduction would come at some price since it is to the contractors' benefit to have guaranteed tonnage levels from the City.

Long Term Issues

In addition to the above, we believe that the City needs to take a more comprehensive look at our solid waste collection and disposal operations. We are at a point where the City needs to develop a more definite plan of action for our long term disposal needs. It is not clear that switching disposal operators at this time will leave us well positioned to transition to rail haul, which is the future for solid waste disposal in the greater Los Angeles area. Further, we are at a time when the Bureau needs to have a long term capital plan to meet the future of solid waste disposal and processing, including transfer stations, alternative technologies to landfills, and ongoing development of alternative fuel infrastructure. Further, the City needs to evaluate the current funding structure and alternate funding mechanisms in order to relieve the General Fund, which currently subsidizes solid waste disposal by approximately \$190 million per year.

To meet our long term planning needs, we recommend a comprehensive evaluation of all the issues facing the City's refuse collection and disposal services. We believe that a detailed best practices study, administered by the CAO and CLA (similar to the one done for the City's wastewater program) would provide the best foundation on which to make both the decision regarding Sunshine Canyon as well as serve as the basis for a long term operational and capital program planning document. This study would evaluate the City's current operations, detail strengths and weaknesses, evaluate our current fee structure, provide comparative information on the City's operations and fees with other municipal agencies, and include information on the availability of alternative options and technologies for refuse disposal. This type of study would provide the groundwork for making decisions on where we want to go in the future. Additionally, as the City looks to future rate increases for the Sanitation Equipment Charge (either "as is" or expanded into a refuse collection fee), we will have the information on which to support the needed increases.

RECOMMENDATIONS

That the City Council,

1. Instruct the City Administrative Officer and Chief Legislative Analyst to issue a Request for Proposals for a best practices study for solid waste collection and disposal services;

2. Instruct the City Administrative Officer and Chief Legislative Analyst to analyze the Bureau of Sanitation reports on the two Requests for Proposals and incorporate into the best practices study;
3. Instruct the City Administrative Officer, Chief Legislative Analyst and the Bureau of Sanitation to identify 2005-06 budget impacts and related budget requests; and,
4. Instruct the Bureau of Sanitation to report back in 30 days with a plan to address the issues identified in this report and options available to the City, given the June 30, 2005, deadline for making a decision regarding the continued use of Sunshine Canyon Landfill.

FISCAL IMPACT STATEMENT

There is no impact on the General Fund in adopting this report. However, future decisions regarding Sunshine Canyon could result in additional tip fee costs ranging from \$6 million to \$16 million. There may be additional General Fund costs, such as to establish transfer and processing facilities, that will not be known until the Bureau completes its review of the various responses to the RFP.

WTF:PJH:06050061c

Attachment II

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BOARD REPORT NO. 1
NOVEMBER 17, 2004

CD: ALL

REVIEW OF SOLID WASTE DISPOSAL OPTIONS

RECOMMENDATIONS

1. Receive the report from the Bureau of Sanitation on analysis of proposals for disposal of solid waste.
2. Approve and forward this Board Report to the Mayor and City Council for final policy decision on disposal of city-collected solid waste.

TRANSMITTALS

1. Bureau of Sanitation Report dated November 9, 2004 - Analysis of Responses to Request For Proposal for Disposal and Transfer Services of Solid Waste.
2. Joint Board Report No. 1 - Authority to Distribute a Request For Proposals (RFP) for Disposal and/or Transfer Services of Residual Solid Waste at Landfills Located Outside The City- Approved on May 28, 2004.
3. Letter from BFI, dated May 19, 2004, offering the City a long-term disposal proposal.

DISCUSSION

Following the closure in 1996 of the last city-owned landfill, Lopez Canyon Landfill, the City entered into a contract with Browning-Ferris Industries (BFI) and Waste Management Inc (WM) for disposal of Bureau of Sanitation (BOS) collected waste. The contract with BFI (Contract No C-93688) became effective in August 1996, with an initial time term of 7.5 years. The BFI contract was subsequently amended in Amendment No. 1, which became effective on July 1, 2001, and in it the duration of the contract was extended thru 2021, in four, 5-year renewal options. The contract with WM expired in 2001, and since then BOS has utilized BFI's Sunshine Canyon Landfill (SCL) almost exclusively for disposal of its residual waste.

Expiration of the first 5-year option of the contract with BFI is coming up on June 30, 2006. However, more critical from a timeline perspective is the contractual deadline of June 30, 2005, for the

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City to inform BFI of its decision on whether to exercise the second 5-year renewal option. With this timeline in mind, BOS has been working diligently on identifying all viable disposal options for disposal of its solid waste to present to the Board, the Mayor and the Council to assist them in making the policy decision on where the City is going to dispose of BOS-collected residual waste.

REQUEST FOR PROPOSALS (RFP) PROCESS

In July 2003, BOS released an RFP (RFP1) soliciting proposals for a disposal system for BOS-collected refuse at alternative landfills. Subsequent to the submittal of proposals in response to RFP1, the City acquired the Central Los Angeles Recycling and Transfer Station (CLARTS) solid waste transfer facility, located east of downtown Los Angeles. CLARTS is a crucial component of the City's solid waste management system, and because the proposals in RFP1 were predicated on the City not yet owning CLARTS, a whole new RFP (RFPII) needed to be issued to reflect this significant change in conditions.

RFPII was authorized by the Board to be released in May 2004 (Transmittal No. 2). Proposals were received on July 29, 2004. The underlying premise of the RFP was that the proposals address the following key considerations:

- a) Applicable timeframe of the proposals was to be from July 2006 thru June 2021.
This was done to match the potential life of the BFI/Sunshine Canyon Landfill contract, thus making the comparisons between them valid.
- b) Proposals were to provide landfilling options of residual waste. While the Bureau is pursuing other waste management practices as alternatives to landfilling in other venues, RFPII specifically requested proposals for disposal of residual waste at landfills only.
- c) Proposals were to offer only regional landfills outside of the City.
This consideration was important to be able to determine the feasibility of true available landfill capacity in the region, should Sunshine Canyon Landfill not be used by the City.

Five (5) proposals were submitted by the following companies:

- Burrtec, Inc; Fontana, California
- Waste Management Inc; Sun Valley, California
- Southern California Disposal; Santa Monica, California

- BLT Enterprises Inc; Oxnard, California
- Community Recycling; Sun Valley, California

A team of BOS staff was assembled to evaluate the proposals and make a determination of feasibility and viability of all of the proposals submitted. Transmittal No. 2 is the evaluation team's report on their findings. The methodology, rationale and criteria used in the evaluation process are contained in the report, but in general the analysis was done on a wasteshed basis. There are six wastesheds in the BOS service area: South LA, North Central, West LA, Harbor, East Valley, West Valley.

Based on BOS's analysis of the proposals, the following options have been determined to be the Most Viable Option and the Lowest Cost Option (as submitted in the proposals):

Table A. Most Viable of the RFP Options

Waste Shed		Company	1st-Year Cost	Cumulative 15 years ¹
Metro (South LA & North Central)	Transfer at CLARTS to Antelope Valley (AV) and/or El Sobrante ⁴ Landfills.	WM	\$14,635,053.00	\$272,196,090
West LA	Transfer at WM Carson to AV and/or El Sobrante ⁴ Landfills	WM	\$5,706,765.00	\$106,139,631
Harbor	Transfer at WM Carson to AV and/or El Sobrante ⁴ Landfills +SERRF ²	WM	\$2,454,444.00	\$45,649,993
East Valley	CLARTS ³ transfer to AV and/or El Sobrante ⁴ Landfills.	WM	\$11,580,570.00	\$215,386,024
West Valley	CLARTS ³ transfer to AV and/or El Sobrante ⁴ Landfills.	WM	\$10,391,715.00	\$193,274,612
Total Annual Cost for Most viable option			\$44,768,547.00	\$832,646,350
Fifteen-year Average Annual Cost			\$55,509,756.70	

¹ Assumes 3% annual price increase for the disposal options proposed in the RFP starting in 2007.

² SERRF - Southeast Resource Recovery Facility

³ CLARTS - Central Los Angeles Recycling and Transfer Station owned and operated by the City.

⁴ Conditions may require disposal at El Sobrante Landfill, which may result in greater costs.

Table B. Lowest Cost of the RFP Options

Waste Shed		Company	1st-Year Cost	Cummlative 15 years*
Metro (South LA & North Central)	Transfer at CLARTS to Antelope Valley (AV) Landfills	WM	\$14,635,053.00	\$272,196,090
West LA	Transfer at WM Carson Station to AV landfill	WM	\$5,706,765.00	\$106,139,631
Harbor	Transfer at WM Carson Station to AV landfill +SERRF	WM	\$2,454,444.00	\$45,649,993
East Valley	Bradley transfer Station to AV landfill	WM	\$6,923,286.00	\$128,765,600
West Valley	Bradley transfer Station to AV landfill	WM	\$6,991,146.00	\$130,027,722
Total Annual Cost for Lowest cost option			\$36,710,694.00	\$682,779,036
Fifteen-year average Annual Cost Per Year			\$45,518,602.43	

*Assumes 3% annual price increase for the disposal options proposed in the RFP starting in 2007.

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The most viable option represents the proposed scenario(s) which are deemed to offer a reliable degree of confidence of a realistic implementation as stipulated in RFPII. The lowest cost option represents the proposed scenario(s) which do not offer a fully reliable degree of confidence of a realistic implementation, but have some degree of confidence, and would yield the lowest cost of the proposed options. Specifically, Waste Management (WM) has proposed the utilization of a transfer station facility at their Bradley Landfill in Sun Valley, which currently in the permitting process. WM has estimated that the Bradley Transfer Station will be constructed and operational by July 1, 2006. However, because they must still successfully complete the environmental review the permitting process, and complete the construction in approximately 18 months, BOS staff does not believe at this point, that the transfer station would be operational by July 1, 2006.

Existing Disposal System Scenario (Baseline)

BOS collects approximately 990,000 tons/year of residual solid waste. Nearly all of it is disposed at the Sunshine Canyon Landfill, with about 28,000 tons/year processed at the South East Resource Recovery Facility (SERRF) in Long Beach. Roughly 40% (396,000 tons/year) of the waste is transferred through a transfer station, primarily through the Central Los Angeles Recycling and Transfer Station (CLARTS), recently acquired by the City in April, 2004. Table C below shows a breakdown of the existing disposal system, by wasteshed.

Table C. Existing Disposal System

<i>Waste Shed</i>	Average Daily Tonnage		Company	1st-Year Cost*	Cumulative 15 years*
Metro (South LA & North Central)	1552	BFI Sunshine - CLARTS Transfer	BFI	\$13,915,478.92	\$258,812,794
West LA	523	BFI Sunshine - Direct Haul & SoCal Disposal (SCD) Transfer	SCD/BFI	\$4,504,680.90	\$83,782,172
Harbor	194	BFI Sunshine - Falcon Transfer & SERRF	BFI	\$2,013,813.99	\$37,454,753
East Valley	733	BFI Sunshine - Direct Haul	BFI	\$4,434,635.34	\$82,479,401
West Valley	573	BFI Sunshine - Direct Haul	BFI	\$3,466,638.54	\$64,475,712
All Waste Sheds Current Annual Cost	3,575			\$28,335,247.69	\$530,099,258
Fifteen-year Average Annual Cost Per Year				\$35,339,950.51	

* 10% County tax not applicable on City-side landfill.

Cost Comparison of Disposal System Options

The field of disposal options to consider for cost comparison purposes consists of the following, listed in no particular order:

Option A: Scenario as shown on Table A above.

Option B: Scenario as shown on Table B above.

Option C: Existing Baseline Scenario, Table C above

Option D: Proposal by BFI, as presented to BOS in letter dated May 19, 2004 (Option D is presented for purposes of reference only. See note below)

BFI and the City have a difference of interpretation of the provisions of our current contract (No. C-93688), relative to its time of effectiveness. The City's position is firm and unequivocal that said contract is in full effect now, and will remain in full effect thru June 30, 2006. Applicability of the subsequent renewal options beyond 2006 will depend solely on the City's decision. Nonetheless, BFI presented to the City an unsolicited proposal in a letter dated May 19, 2004 (Transmittal No. 3), in which they offered the City a long term agreement with specific unit rates for disposal, implicitly premised on the assumption that our current contract would not be in effect. Option D is included in this report strictly as reference only.

Attachment No. 1 shows a detail graphical comparison of the four options. The following is a ranking of the options in order of ascending cost, using both the estimated average annual system cost and a total estimated system cost for the entire 15-year time frame:

Table D. Cost Comparison of Disposal Options

Rank	Option Description	Average Annual Cost	15-Year Total System Cost	Annual Difference
1st	Existing Disposal System Scenario Baseline (Refer to Table C).	\$35,339,951	\$530,099,258	NA
2nd	WM Regional Landfills - Bradley Transfer Station (Refer to Table B).	\$45,518,602	\$682,779,036	\$10,178,652
3rd	BFI Long-Term Proposal (Refer to Transmittal #3).	\$52,698,871	\$790,483,058	\$17,358,920
4th	WM - Regional Landfills - No Bradley Transfer (Refer to Table A).	\$55,509,757	\$832,646,350	\$20,169,806

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It is important to note that negotiations on any of the above options have not yet taken place. It is envisioned that at a minimum a "best and final" round of negotiations as well as a final determination of the proposals compliance with city policies, (e.g. MBE/WBE Program) will occur while this report is under consideration by the Mayor and the City Council.

Major Components of Disposal System Cost Calculation

The detailed cost analysis of the options is presented in Transmittal No. 2 - "Analysis of Responses Report". In general, the approach followed was to use the existing disposal system and all of its components as the baseline to compare costs to and from. That is, BOS looked at the operational-related costs inherent with any of the other options (other than the baseline), and made a determination on whether there would an increase or a decrease in operational costs.

For example, Option A would require that we drive a longer distance from the two Valley wastesheds to CLARTS to transfer the waste to the Antelope Valley Landfills or El Sobrante Landfill. This would result in an increase from the baseline cost in that more drivers and more trucks would be needed; therefore the additional incremental cost is included in the cost calculation of Option A.

Calculation of the total disposal system cost for each of the options is grouped in the following major components:

- Landfill Disposal Costs (tip rates at the landfills)
- Transfer and Transport Costs
- Differential (increase/decrease) Operational Costs from Baseline

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City Franchise Fee on Sunshine Canyon Landfill

An important clarification in calculating the cost for both Options C and D is the City Franchise Fee applicable to Sunshine Canyon Landfill, and payable to the City. Presently, the LA County side of the landfill levies a 10% fee, which is passed through to customers. The City will levy a 12% Franchise Fee, also a pass through fee, on all tonnage disposed on the City's side.

Appropriation of the LA City Franchise Fee is currently structured to be proportionately allocated between the Sunshine Canyon Community Amenities Trust Fund (CAT) (Chapter 96, Section 5.496 L.A. Administrative Code) and the Integrated Solid Waste Management Trust Fund (ISWMTF) (Chapter 52, Section 5.429, L.A. Administrative Code). The portion of the franchise fee attributable to City-hauled refuse is to be appropriated to the ISWMT Fund, the other portion would go to the CAT Fund. However, the provision for the appropriation to the ISWMT Fund is due to expire on June 30, 2005. After this date, the Franchise Fee will be levied only on non-city hauled waste and the revenue will go to the CAT Fund.

In calculating the Franchise Fee in the cost analysis, we considered the fact that presently the 10% LA County Fee is paid by BOS for city-collected waste, but the City does not receive any of it back. The 12% LA City Franchise Fee will be paid by all customers (City's side) and the City will receive it all back, up until June 30, 2005. Beyond June 30, 2005, BOS would not pay the 12% Franchise Fee, nor the 10% County Fee, which would mean a 10% reduction on the disposal costs at Sunshine Canyon for BOS, assuming that the City's side of the landfill will be operational by June 30, 2005.

City's Long Term Solid Waste Management Plan

The City has been working on multiple fronts to increase its recycling/diversion rate, as part of its continuing efforts to lessen the City's dependency on landfills. As a matter of fact, the City has achieved a 62% citywide-diversion rate, making it one of the highest rates in the state and in the nation. The City's adopted goal is to achieve a 70% diversion rate by the year 2020. However, our efforts must be more aggressive as there remain over 3.5 million tons of solid waste (public and private) in the City being disposed in landfills on an annual basis.

BOS has recently gotten underway several important projects whose fundamental objective is to manage solid waste as a resource, derive

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a beneficial use from it, and keep it from being landfilled. Earlier this year, the City took the ever important first step in pursuing alternatives known as Conversion Technologies that would primarily derive energy value (a resource) from residual waste. A wide spectrum of technologies is being evaluated by BOS with the assistance of URS, Inc. as its technical consultant. A report will be completed in early 2005, with a recommendation of which technology (ies) the City may consider.

The Bureau has also started the implementation of a pilot recycling program for apartments serviced by private haulers. In all, approximately 100,000 of the estimated 600,000 apartment units serviced by private haulers will be on the pilot program by Spring 2005.

Our flagship Curbside Recycling Program has done remarkably well, though we believe that more recyclables can be "mined" out of the refuse stream and diverted to the blue container. The economics of this transfer of stream are truly compelling. For every ton of recyclables that we capture, we receive a minimum of \$15 in revenue, and we avoid a tip fee cost of approximately \$25, at \$40 per ton swing, thus our need to fully capitalize on our existing recycling system infrastructure.

Nonetheless, the management of the City's solid waste is undeniably a complex issue, one that requires the active participation of all stakeholders, as we chart a course for the future: residents, neighborhood councils, the environmental community, the business community, regulatory and planning agencies and elected officials. To this end, the Bureau has initiated the development of a comprehensive Integrated Resources Plan for Solid Waste Management (SWIRP), a process that would engage all of the stakeholders.

Landfills in the Region

The landfill disposal landscape in Southern California will experience significant changes in the next fifteen years. Bradley Landfill in Sun Valley (owned by WM) is scheduled to close in 2007, and the Puente Hills Landfill in Whittier (owned by Los Angeles

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County Sanitation Districts) is scheduled to close in 2013. These events will reduce landfill capacity in the region.

CountySan is the public agency leading the efforts to develop the regional infrastructure for hauling residual solid waste to remotely located mega-landfills. CountySan owns Mesquite Landfill near El Centro, in Imperial Valley, California. CountySan estimates to start partial use of this landfill by 2009 and expand its utilization by the time Puente Hills Landfill closes in 2013.

It is likely that the private sector will also pursue landfill developments of their own for rail haul in the future. As an example, WM owns landfills in Arizona and Nevada that could be developed for rail-haul from Southern California.

Timeframe For Landfill Disposal for City-Collected Solid Waste

Given the imminent reduction of available landfill capacity in the region in the next fifteen years, it is paramount, no matter what disposal option is ultimately selected by the City in this process, that we secure landfill capacity for the next fifteen years. This stability will afford us the time to fully develop and implement the Solid Waste Integrated Resources Plan (SWIRP), pursue Conversion Technologies, maximize our full recycling potential, and fully develop our own infrastructure for the eventual rail haul of whatever residual solid waste remains.

CONCLUSIONS

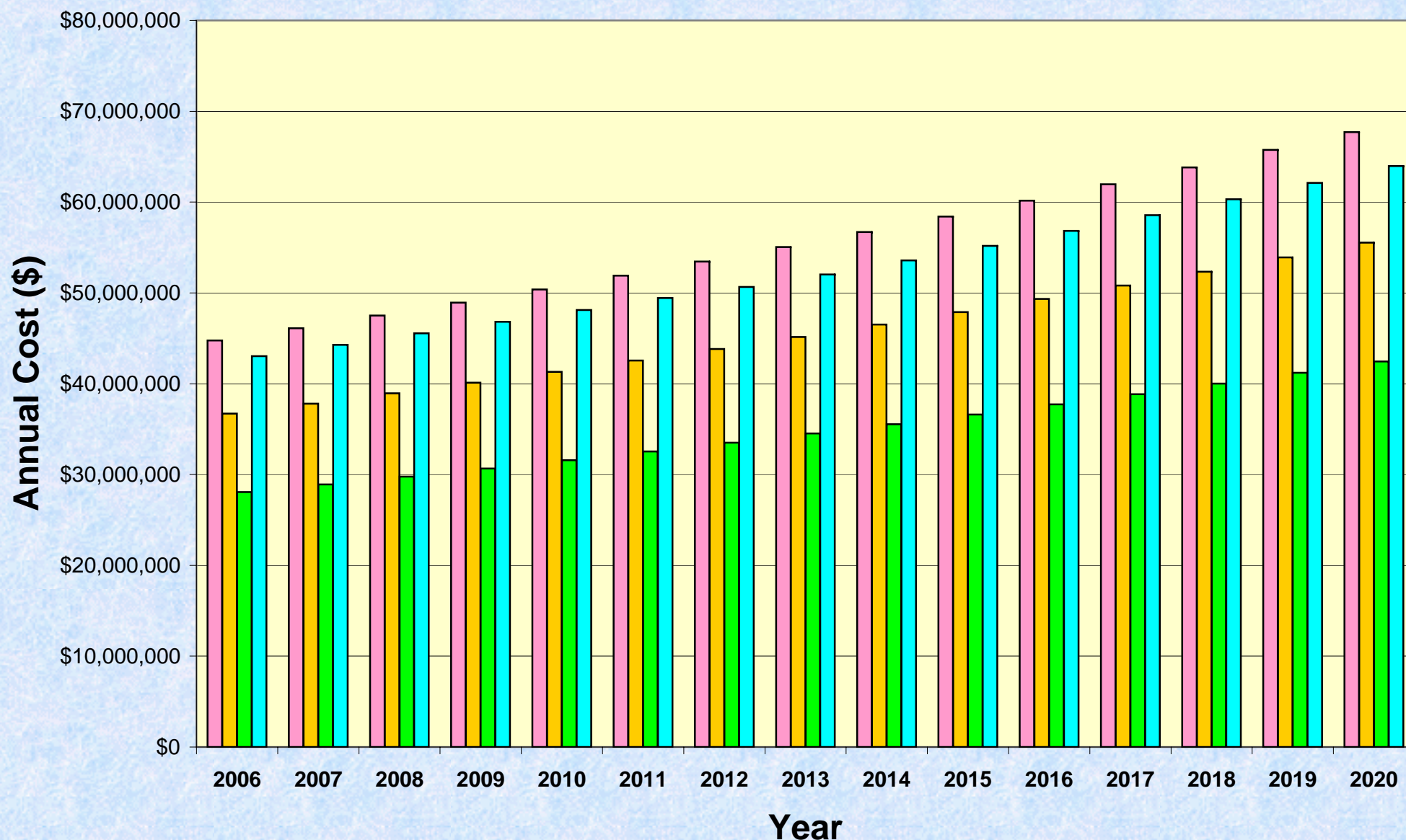
The Bureau has determined that at least two options exist for the disposal of City-collected solid waste outside the city's limit. Based upon a policy decision by the Mayor and Council, the Bureau will implement the plan on behalf of the City.

Respectfully submitted,

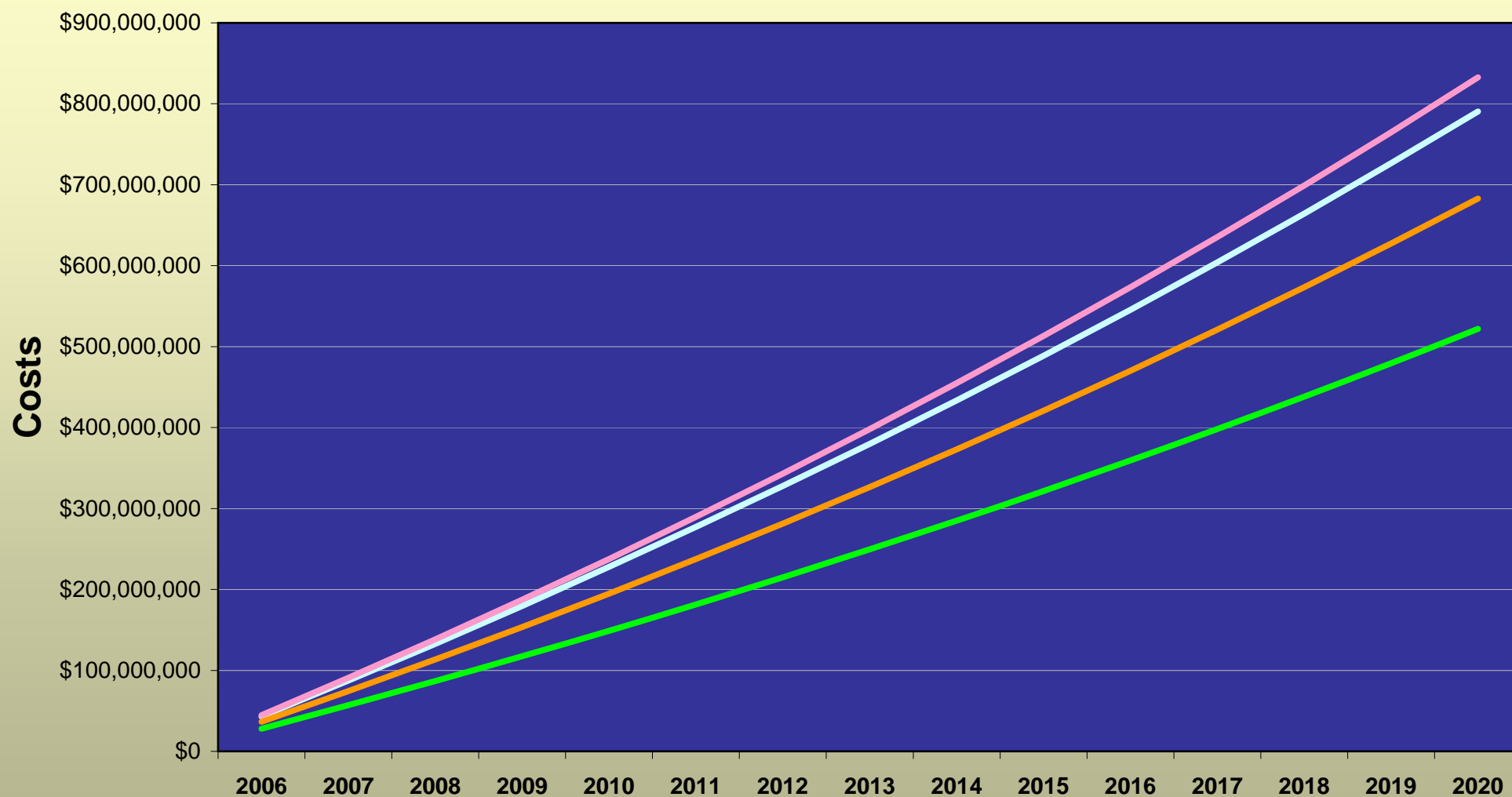
RITA L. ROBINSON, Director
Bureau of Sanitation

Prepared By:
Enrique C. Zaldivar, EXEC
(213) 473-7999

Comparison of Annual Disposal Options Costs For Refuse



Comparison of Cumulative Annual Disposal Costs For Refuse



BFI Long Term Proposal (Option A)

WM Regional Landfills-No Bradley Transfer (Option C)

Existing Baseline Scenario (BFI/SCL - Option B)

WM Regional Landfills-Bradley Transfer Station (Option D)

Department of Public Works Bureau of Sanitation



Analysis of Responses to Request For Proposals for Disposal and/or Transfer Services for Residual Municipal Refuse Disposal at Other Solid Waste Facilities Located Outside the City Limits

*Rita L. Robinson
Director, Bureau of Sanitation*

*Enrique C. Zaldivar
Assistan Director, Bureau of Sanitation*

Proposals Evaluation Team, Bureau of Sanitation

November 9, 2004

Executive Summary

The Fiscal Year 2003/04 Mid-Year Adjustment Report (CF 03-0600) recommended that the Bureau of Sanitation report back to Council regarding alternative strategies for disposing of the City's solid waste (black bins) stream outside of the City's geographic boundaries (at locations/facilities other than the Sunshine Canyon Landfill).

This report is intended to facilitate management discussions with the City Council and Mayor regarding available options for disposing of the City's solid waste. Accordingly, the foregoing analysis provides a review of the current operating environment; an overview of the methodology (RFP process) used for identifying and evaluating alternative strategies; and an analysis of potential service providers and alternative strategies.

Five proposals were received in response to the City's, *Request For Proposals for Disposal and/or Transfer Services for Residual Municipal Refuse Disposal at Other Solid Waste Facilities Located Outside the City Limits*. From these five proposals the evaluation team identified from 3 to 9 solid waste disposal alternatives for each of the City's five wastesheds that warranted analysis and consideration and concluded that each of the objectives noted in the RFP (to implement the Landfill Oversight Committee Recommendations, to identify disposal and/or transfer service options, and to consider transfer service contracts for the Harbor, Western, East Valley and West Valley wastesheds) are achievable.

However, the question remains whether the cost of any of the alternatives is warranted to achieve the expressed objectives. Without accounting for inflation or growth in daily tonnages, it will cost the City an additional \$10M to \$24M a year to utilize solid waste disposal options other than Sunshine Canyon. It is important to note that some of the least costly alternatives include assumptions that may or may not be realistic (such as Waste Management's proposed Bradley Transfer Station being ready for use in 2006) or are otherwise undesirable.

Since the express purpose of this report is to facilitate management discussions, it does not include any recommendations regarding selection of a specific vendor or solid waste disposal alternative. If a specific vendor or solid waste disposal alternative is selected additional analysis will need to be performed. Depending on the proposal or alternative selected, the additional analysis will need to include, but not limited to, the feasibility, cost and time to construct new facilities; operations impacts such as personnel, equipment and infrastructure requirements; Sanitation Equipment Charge adjustments; the receptiveness of communities regarding accepting waste from the City of Los Angeles; the ability of proposers to implement proposed commitments; and the impact of any recommendations included in the current study regarding alternative waste disposal technologies.

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Bureau of Sanitation

Analysis of Responses to Request For Proposals for Disposal and/or Transfer Services for Residual Municipal Refuse Disposal at Other Solid Waste Facilities Located Outside the City Limits

Introduction

The Fiscal Year 2003/04 Mid-Year Adjustment Report (CF 03-0600) recommended that the Bureau of Sanitation report back to Council regarding alternative strategies for disposing of the City's residual waste (black bins) stream outside of the City's geographic boundaries (at locations/facilities other than the Sunshine Canyon Landfill).

In addition, there has been considerable local opposition by community groups to the City's use of Sunshine Canyon Landfill that has garnered significant political momentum. A special Landfill Oversight Committee (LOC) created by Mayor James K. Hahn (July 2002) has directed a strategy to diminish and eventually eliminate reliance on landfills within the City's boundaries by 2006. To assist the LOC in achieving its mandates in this regard, the Bureau solicited proposals from firms interested in hauling and disposing of residual waste outside of the City's limits.

This report is intended to facilitate management discussions with the City Council and Mayor regarding available options for disposing of the City's solid waste. Accordingly, the foregoing analysis provides a review of the current operating environment; an overview of the methodology (RFP process) used for identifying and evaluating alternative strategies; and an analysis of alternative strategies.

I. Current Operating Environment

The Bureau of Sanitation (BOS) collects approximately 3,600 tons per day (TPD) of solid refuse from the six wastesheds, Figure 1 provides a map depicting the geographic boundaries of the City's wasteshed. Note that for purposes of the analysis contained herein, the combination of the South Los Angeles and North Central wastesheds are referred to as the Metro wasteshed.

Approximately 3,500 TPD is delivered to the Sunshine Canyon Landfill (SCL) and approximately 100 TPD is delivered to the Southeast Resource Recovery Facility (SERRF), a waste-to-energy facility located in Long Beach. (Note: The SERRF daily tonnage is redirected to the Sunshine Canyon Landfill when the SERRF is occasionally unavailable.)

Although virtually all (97%) of the refuse collected City-wide is delivered to the Sunshine Canyon Landfill for final disposal, the strategies for transporting refuse vary depending on the originating wasteshed. The current refuse collection strategy for each wasteshed is summarized below:

A. Metro (includes North Central and South Los Angeles) 1,552 TPD

All refuse collected from the North Central and South Los Angeles Wastesheds is delivered via BOS refuse collection trucks to the Central Los Angeles Recycling and Transfer Station (CLARTS). The refuse is transferred through trailers by private haulers from CLARTS to the Sunshine Canyon Landfill.

Note: The City recently purchased this facility and is currently in the process of transitioning operating responsibilities from the previous operator. This transition is expected to be complete in the Spring of 2005. Assumption by the City of existing private hauling contracts is part of the transition process.

B. East Valley 733 TPD

All refuse collected from the East Valley Wasteshed is directly hauled to the Sunshine Canyon Landfill via BOS refuse collection trucks.

C. West Valley 573 TPD

All refuse collected from the West Valley Wasteshed is directly hauled to the Sunshine Canyon Landfill via BOS refuse collection trucks.

D. Western 523 TPD

Approximately one-half (262 TPD) of the refuse collected from the Western Wasteshed is delivered to the Southern California Disposal Co. Transfer Station located in Santa Monica. The refuse is transferred by Southern California Disposal private haulers to the Sunshine Canyon Landfill.

The remaining refuse from the Western Wasteshed (261 TPD) is directly hauled to the Sunshine Canyon Landfill via BOS refuse collection trucks.

E. Harbor 194 TPD

Slightly more than one-half (104 TPD) of the refuse collected from the Harbor Wasteshed is delivered via BOS refuse collection trucks to the Southeast Resource Recovery Facility (SERRF), a Los Angeles County Sanitation District waste-to-energy facility located in Long Beach. (Note: SERRF is the final destination for this refuse, no transfer or private hauling services are necessary.)

The remaining refuse from the Harbor Wasteshed (90 TPD) is delivered via BOS refuse collection trucks to the Falcon Transfer Station located in Wilmington. The refuse is transferred to larger trailers and private haulers are used to transport refuse from the Falcon Transfer Station to the Sunshine Canyon Landfill.

Attachment 1 – Table 1, Current Solid Waste Disposal Strategy provides a summary of the unit (per ton) cost (adjusted to reflect rates expected to be applicable as of July 1, 2006) associated with each of the currently employed strategies.

The amount of solid waste collected throughout the City over the last six years grows, on average, about 1% per year. Assuming this rate of growth, the City will need to have the operational capacity and resources to dispose of approximately 4,300 TPD by the end of FY 20/21. This information is summarized in Attachment I - Table 2, City-Wide Distribution of Solid Waste Tonnage and Attachment 1 - Table 3, Projection of City-Wide Distribution of Solid Waste Tonnage.

The City's current contract with Browning & Ferris Industries (BFI) to accept solid refuse at the Sunshine Canyon Landfill began in 1996 and was amended in 2001 to include three, five-year renewals. If the City exercises all three of the five-year renewals, the current contract with BFI would extend to June 30, 2021. The current renewal expires June 30, 2006. The contract requires that the City advise BFI regarding its intentions with respect to contract renewal by June 30, 2005.

II. Methodology

In mid 2003, BOS solicited proposals for the disposal of the City's solid waste at alternative landfills via the Request For Proposal process. However, purchase of the City of Los Angeles Recycling and Transfer Station (CLARTS) in April 2004 represented a significant change in operating conditions and in mid 2004, the City issued a new *Request For Proposals for Disposal and/or Transfer Services for Residual Municipal Refuse Disposal at Other Solid Waste Facilities Located Outside the City Limits* (RFP) predicated on the new operating conditions that resulted from the purchase of CLARTS. The City's stated objectives for this solicitation were as follows:

A. Landfill Oversight Committee Recommendations

The implementation of the Landfill Oversight Committee's recommendations to secure other disposal options outside the limits of the City of Los Angeles apart from disposal at BFI Sunshine Canyon Landfill, by 2006.

B. Disposal and/or Transfer Service Options

Disposal and/or transfer services should the City choose not to exercise an available contract term renewal option with the current final disposal contractor in 2006.

C. Transfer Service Contracts for Harbor, Western, East Valley and West Valley

The replacement of a current transfer service contract for the delivery of refuse from the Harbor Wasteshed should the City elect not to extend the term of the contract, and the award of new transfer service contracts for the East Valley, West Valley and Western Wastesheds.

On July 29, 2004, the City received proposals in response to this RFP from the following five (5) entities:

BLT Enterprises, Inc.
Burrtec Waste Industries, Inc.
Community Recycling and Resource Recovery, Inc.
Southern California Disposal, Inc.
Waste Management, Inc.

A team of employees representing various divisions with BOS was established to review and evaluate the various proposed alternatives. In addition to visiting some of the various proposed disposal sites and transfer stations, each proposer was interviewed regarding the details of their proposal and each was provided an opportunity to clarify or supplement the information contained in their respective proposal.

As outlined in the RFP document, the criteria noted below were used to evaluate proposer responses:

A. Prior Experience (10 Points)

- Demonstrated strength and prior experience of the Proposer as shown by financial capabilities and previous experience with the development, design, financing, construction, and operation of large-scale solid waste disposal systems.
- Demonstration of management knowledge and methods to deliver performance requirements for quality, capacity, and timing.

B. Project Feasibility (10 Points)

- Adequacy and completeness of proposed project financing plan.
- Time required to develop a functional system or provide transfer/transport service capacity to the City.
- Likelihood of successful on-time delivery of proposed facilities.
- Project development schedule guarantees.
- Environmental justice considerations.

C. Technical Proposal Practicality (10 Points)

- Completeness of the proposal in addressing system components and their design and operation, and approach relative to the technical requirements set forth in this RFP.
- Long-term impact on City liability.
- Location of transfer facility site(s) within the wasteshed site(s).
- Compatibility with the logistics of collection operation.

D. Proposal Responsiveness (10 Points)

- Overall responsiveness to RFP guidelines and objectives.
- Completeness of proposal as instructed in the RFP.
- Inclusion of and/or attention to City goals to utilize recycled and recyclable products in the design, construction, and/or operation of the facility.
- Environmental soundness of proposed transfer and/or disposal system.

E. Recycling Plan (10 Points)

- Soundness of the operational plan to recover materials (including bulky items and E-waste) to be recycled.
- Assistance in meeting the City's solid waste diversion goals.
- Demonstrated knowledge and experience in material recovery from mixed municipal solid waste.
- Demonstrated knowledge and experience in marketing recovered materials.
- Level of use of recycled or recyclable products, materials and equipment in the construction and operations of the transfer and/or disposal system.

F. Proposal Price (50 Points)

- Yearly and total life cycle cost calculated for each proposal.
- Average distance traveled by City collection vehicles to sites.
- Changes required to collection operations to utilize delivery site.

Keeping the stated objectives in mind, the evaluation team used the established evaluation criteria to identify disposal alternatives, assess the feasibility of identified alternatives, and identify the full cost and/or risks associated with each feasible alternative.

To ensure consistency in formulating the ensuing analysis, the team identified a number of assumptions that would be applicable regardless of which proposal, proposer, or wasteshed was being considered. These assumptions are noted in Attachment 2, Operating Assumptions. It is important to note Assumption 5: There is sufficient capacity at various landfills in the Los Angeles Region to accept solid refuse from the City of Los Angeles for the next 15 years. Therefore, proposed rail haul alternatives were not included in analysis. Figure 2, provides a map depicting the various active landfills in the Los Angeles Region.

Attachment 3, Summary of Responses to RFP, provides a summary of the financial terms proposed by the various vendors that responded to the RFP. After reviewing and qualitatively scoring each proposal, the team agreed that evaluating the various proposed alternatives by wasteshed would provide management with a better understanding of **all** of the currently available alternatives. In order to achieve this objective it was necessary to segregate the qualitative analysis of the various proposals from the financial analysis of each alternative.

The qualitative evaluation included having each team member assign a numeric score to each of the first five (non financial) criteria for each proposer. Attachment 4, Summary of Qualitative Evaluation, provides summarized results of this compilation.

The quantitative financial evaluation included consideration of the cost of disposing refuse at a particular disposal site, the cost of transferring refuse from BOS collection trucks to transfer trailers for hauling (if applicable), the cost of hauling refuse to the disposal site, and the cost of collection operations changes that would need to be implemented, including fleet requirement, if the particular alternative were to be selected.

Attachment 5, Summary of Alternatives, provides a summary of the alternatives included in the various proposals that were received in response to the City's RFP. Attachment 6, Analysis of Alternatives, provides information regarding the cost of the various components included in each alternative.

Considered separately, the qualitative evaluation of the various proposers and the quantitative financial analysis are fairly straightforward. However, identifying an appropriate technique for consolidating the qualitative evaluation of five proposers and the financial analysis of the 31 identified alternatives was a challenge. The critical element of this consolidation was determining an objective and reasonable way of assigning a numeric point value (between zero and 50) to each of the various alternatives.

As detailed in Attachment 7, Calculation of Proposal Price Scores, current costs were compared to the cost of each identified alternative and a "Percent Change From Current" was calculated. The "Percent Change From Current" was multiplied by 50 (total points possible) to determine a "Point Value Adjustment." The "Point Value Adjustment" was applied to the total number of points possible (50) to determine the "Proposal Price Points". The "Proposal Price Points" are added to the qualitative points noted in Attachment 3, to determine the "Combined Points" for each alternative. The total number of "Combined Points" ranges between 30 and 93 out of a maximum of 100 points.

Attachment 8, Combined Scores and Alternatives Ranking provides a summary of the qualitative, proposal price, and combined scores resulting from the scoring

techniques described above. Further analysis reveals that the highest scores are associated with the lowest cost alternative for each wasteshed.

Implementing the lowest cost alternative for each wasteshed results in an annual cost increase of approximately \$8.2M in the first year (not including the cost debt financing) and approximately \$153M over the next 15 years (not including the cost of debt financing). Table 1 provides a summary of the lowest cost alternative for each wasteshed.

Table 1 – Lowest Cost Alternatives of the RFP				
Wasteshed	Alternative	Proposed By	First Year Costs	Cumulative Costs (15 Years)*
Metro (South LA & North Central)	CLARTS Transfer to Antelope Valley	Waste Management	\$14,635,053	\$272,196,090
East Valley	Bradley Transfer to Antelope Valley	Waste Management	\$6,923,286	\$128,765,600
West Valley	Bradley Transfer to Antelope Valley	Waste Management	\$6,991,146	\$130,027,722
Western	Carson Transfer to Antelope Valley	Waste Management	\$5,706,765	\$106,139,631
Harbor	Carson Transfer to Antelope Valley (portion to SERRF continues)	Waste Management	\$2,454,444	\$45,649,993
Combined			\$36,710,694	\$682,779,036

* Assumes 3% assumes annual increase starting in 2007.

This option assumes that all of the City's refuse will be disposed of at existing Antelope Valley Landfills and that the City of Los Angeles, CLARTS transfer facility and Waste Management's Carson and proposed Bradley transfer stations will be used. This is the lowest cost option since the refuse generated within a waste shed is handled in that wasteshed, thereby reducing the need for extra vehicles and drivers.

However, although Waste Management asserts that a transfer station at the Bradley landfill will be operational by June 2006, the evaluation team strongly believes that it is highly unlikely that environmental review (including addressing community concerns), permitting and construction of a new facility can be accomplished by June 2006.

Table 2 list the most viable of the RFP options that will need to be utilized in the interim until Bradley transfer station is operational. In this option all City collected refuse will be directed thru CLARTS. This will require the addition of vehicles, drivers, and mechanics. The incremental cost of the operation due to the unavailability of Bradley transfer facility is substantial and should be discussed with

WM during the “best and final” round of negotiations. There is also concern that the City will be relying entirely on one transfer station for all of its refuse. During the presentation part of the RFP process WM stated that a truck-to-truck transfer (where refuse is transferred directly from a City refuse truck to a WM trailer) might be implemented if the Bradley transfer facility is not ready. The City has previously tried this option for the western wasteshed and while it’s operationally feasible, there is considerable public opposition for open transfer of refuse. Therefore, the transfer of refuse thru CLARTS is the most viable option of the RFP.

Table 2 – Most Viable Alternatives of the RFP				
Wasteshed	Alternative	Proposed By	First Year Costs	Cumulative Costs (15 Years)*
Metro (South LA & North Central)	CLARTS Transfer to Antelope Valley	Waste Management	\$14,635,053	\$272,196,090
East Valley**	CLARTS Transfer to Antelope Valley	Waste Management	\$11,580,570	\$215,386,024
West Valley***	CLARTS Transfer to Antelope Valley	Waste Management	\$10,391,715	\$193,274,612
Western	Carson Transfer to Antelope Valley	Waste Management	\$5,706,765	\$106,139,631
Harbor	Carson Transfer to Antelope Valley (portion to SERRF continues)	Waste Management	\$2,454,444	\$45,649,993
Combined			\$44,768,547	\$832,646,350

* Assumes 3% assumes annual increase starting in 2007.

** Upfront cost of \$7.5 million to purchase 30 additional trucks.

*** Upfront cost of 7.25 million is need to purchase 29 additional trucks.

BLT has proposed the development of a transfer station in the valley also; however BLT faces the same challenges, as waste management, and it will be highly unlikely that the facilities can be constructed and operational by June 2006. As for Community Recycling their proposed unenclosed facility for refuse transfer is not acceptable as it creates odors and affects the quality of life in the surrounding neighborhoods.

III. Financial Analysis of Alternative Strategies

A financial analysis would usually compare alternative disposal strategies by calculating present values of the future alternative costs. The alternative with the lowest present value cost would be ranked the highest from a financial perspective. This analysis, however, compares only the alternative costs for 2006. This was based on the proposal evaluation team’s judgment that the City’s costs for all of the alternatives would increase with the same general inflation and waste tonnage rate

over time, so that a comparison of Year 2006 costs would rank the alternatives in the same order as a comparison of present value costs.

The costs noted throughout this analysis are based on daily tonnages. Multiplying the daily cost figures by 261 (operating days) approximates the total annual cost for each alternative. Without accounting for inflation or growth in daily tonnages, it will cost the City an additional \$10M to \$24M a year to utilize disposal options other than the Sunshine Canyon Landfill. It is important, as noted above, to consider that some of the least costly alternatives include assumptions that may or may not be realistic (such as Waste Management's proposed Bradley Transfer Station being ready for use in 2006).

A. Metro (Includes North Central and South Los Angeles)

Four (4) alternatives are identified for the Metro Wasteshed, as follows:

- **Alternatives One and Two.** These alternatives are proposed by Waste Management Inc. and represent the lowest cost for disposing of solid waste from the Metro Area outside of the City. Both alternatives assume use of CLARTS with hauling provided by private haulers on contract with the City. Waste Management's proposal therefore includes only the costs of disposal at the landfill. The only difference between the two alternatives is the final disposal site. Alternative One assumes final disposal at the El Sobrante Landfill, near Corona in Riverside County, at a cost of \$24.50 per ton. Alternative Two assumes final disposal at either of the two landfills in Antelope Valley at a cost of \$20 per ton. In addition to being the less expensive of the two alternatives, Alternative Two (disposal in Antelope Valley) would result in a daily increase of \$2,769 and an annual increase of \$723,000, or 5%, over the cost of disposing the refuse at the Sunshine Canyon Landfill.
- **Alternative Three.** This alternative was proposed by BLT Enterprises, Inc. It includes hauling from CLARTS and disposal of the waste at any of several possible landfills. The price of \$37.13 per ton includes hauling and disposal. This alternative would increase the daily cost of disposing refuse from the Metro Wasteshed by \$11,770, or 22%. The annual cost would be increased by \$3,072,000.
- **Alternative Four.** Proposed by Burrtec, Inc., this alternative includes disposal of 1,000 tons per day of waste using capacity at two landfills in Orange County that Burrtec has contracted to use. Burrtec has proposed to charge the City \$34.65 per ton for disposal, but did not propose to haul the waste from CLARTS to the landfill. The alternative therefore includes an additional hauling cost calculated by the proposal review team, assuming that the waste is hauled to the closer of the two landfills in Brea. The proposal review team also assumed that the remaining 552 tons per day

from the Metro Wasteshed would be hauled by private haulers on contract with the City to Waste Management's Antelope Valley landfills for disposal. This alternative would increase the daily cost of disposing refuse from the Metro Wasteshed by \$12,740, or 24%. The annual cost would be increased by \$3,325,000.

Since each of the four (4) alternatives identified for the Metro Area include continued use of CLARTS, none require changes in the way solid refuse is collected by BOS.

B. East Valley

Following are nine alternatives proposed for the East Valley Wasteshed:

- **Alternatives One and Two.** These alternatives are proposed by Waste Management Inc. and represent the lowest cost for disposing of solid waste from the East Valley Area outside of the City. Both of these alternatives assume use of the proposed Bradley Transfer Station, so the Waste Management proposal includes the costs of transfer, hauling and disposal. These alternatives assume that five percent of the refuse is recycled at the Bradley Transfer Station, reducing the City's disposal cost. Five percent is the minimum recycling amount guaranteed in the Waste Management Proposal. Because the transfer station requires a shorter driving distance for the collection trucks than Sunshine Canyon, these alternatives would save \$3,447 per day in the City's operating costs.

The only difference between the two alternatives is the final disposal site. Alternative Two assumes final disposal at the El Sobrante Landfill, near Corona in Riverside County, at a cost of \$24.50 per ton. Alternative One assumes final disposal at either of the two landfills in Antelope Valley at a cost of \$20 per ton. The less expensive of the two alternatives, Alternative One (disposal in Antelope Valley) would still result in a daily increase of \$9,176 and an annual increase of \$2,394,000 over the costs of disposing the refuse at the Sunshine Canyon Landfill, a 53% increase.

- **Alternatives Three and Four.** These alternatives are similar to Alternatives One and Two, except that they assume that Waste Management will be unable to construct the Bradley Transfer Station, so that the City's refuse collection trucks will be forced to drive the long distance to CLARTS and the City will contract separately to haul the waste from CLARTS to one of Waste Management's landfills. This would greatly increase the City's overall cost. For example, the City's cost of hauling and disposing the waste at the Antelope Valley landfills would be increased by \$17,844 per day. This would make the City's cost \$27,020 per day greater than the current cost of disposal at the Sunshine Canyon Landfill, a 156% increase. The annual cost would be \$7,052,000 greater.

- **Alternatives Five and Six.** These alternatives are based on a proposal by Community Recycling and Resource Recovery, Inc (CR&RR). CR&RR proposed using its existing recycling facility in Sun Valley as a transfer station. The proposed rate (\$31.00 per ton) includes transfer and hauling to the landfill, but not the cost of disposal. Because the City would need to contract separately for disposal, these alternatives assume the use of the Waste Management proposed landfills. Alternative Five therefore assumes a disposal cost of \$20.00 per ton at the Antelope Valley landfills, while Alternative Six assumes a disposal cost of \$24.50 per ton at El Sobrante. These alternatives assume that ten percent of the refuse is recycled, reducing the City's hauling and disposal cost. Ten percent is the minimum recycling percent guaranteed by CR&RR. Because the transfer station requires a shorter driving distance for the collection trucks than Sunshine Canyon, these alternatives would save \$3,454 per day in the City's operating costs. However the total cost for the least costly of the two alternatives would still be greater than the current cost by \$15,112 per day or \$3,944,000 per year, an 87% increase.
- **Alternative Seven.** This alternative is similar to that proposed by BLT Enterprises, Inc. (Alternative Eight), except that it assumes that BLT will be unable to construct its proposed transfer station, so that the refuse collection trucks will be forced to drive to CLARTS. The increased operations cost for the trucks and CLARTS more than offset the reduction in the price paid to BLT, so that the total costs are increased by \$14,105 per day. This alternative would increase the daily cost of disposal by \$31,271, or 180% more than the current cost. The annual cost would be increased by \$8,162,000.
- **Alternative Eight.** This alternative was proposed by BLT Enterprises, Inc. It includes hauling from its proposed transfer station in the mid-Valley and disposal of the solid waste at any of several possible landfills. The price of \$49.17 per ton includes transfer, hauling and disposal services. The alternative would increase the daily cost of disposing East Valley refuse by \$17,166, or 99% more than the current cost. The annual cost would be increased by \$4,480,000.
- **Alternative Nine.** This alternative includes disposal of the solid waste using capacity at two landfills in Orange County, as proposed by Burrtec. Burrtec has proposed to charge the City \$34.65 per ton for disposal, but did not propose to haul the solid waste from a transfer station to the landfill. This assumption therefore assumes that CR&RR will be separately contracted to providing transfer and hauling services. The alternative therefore includes an additional cost for hauling as proposed by CR&RR. Because the transfer station requires a shorter driving distance for the collection trucks than Sunshine Canyon, these alternatives would save \$3,454 per day in the City's operating costs. However, the alternative would increase the total

daily disposal cost by \$24,777, or 143% more than the current cost of disposal at the Sunshine Canyon Landfill. The annual cost would be increased by \$6,467,000.

C. West Valley

Following are nine alternatives proposed for the West Valley Wasteshed:

- **Alternatives One and Two.** These alternatives are proposed by Waste Management Inc. and represent the lowest cost for disposing of solid waste from the West Valley Area outside of the City. Both alternatives assume use of the proposed Bradley Transfer Station, so the Waste Management proposal includes the costs of transfer, hauling and disposal. These alternatives assume that five percent of the refuse is recycled at the Bradley Transfer Station, reducing the City's disposal cost. Five percent is the minimum recycling amount guaranteed by Waste Management. Because the transfer station requires a longer driving distance for the collection trucks than Sunshine Canyon, these alternatives would increase the City's operating costs by \$3,356 per day.

The only difference between the two alternatives is the final disposal site. Alternative Two assumes final disposal at the El Sobrante Landfill, near Corona in Riverside County, at a cost of \$24.50 per ton. Alternative One assumes final disposal at either of the two landfills in Antelope Valley at a cost of \$20 per ton. The less expensive of the two alternatives, Alternative One (disposal in Antelope Valley) would still result in a daily increase of \$13,223 and an annual increase of \$3,451,000 over the cost of disposing the refuse at the Sunshine Canyon Landfill, a 97% increase.

- **Alternatives Three and Four.** These alternatives are similar to Alternatives One and Two, except that they assume that Waste Management will be unable to construct the Bradley Transfer Station, so that the City's refuse collection trucks will be forced to drive the long distance to CLARTS and the City will contract separately to haul the waste from CLARTS to one of Waste Management's landfills. This would greatly increase the City's overall cost. For example, the City's cost of hauling and disposing the waste at the Antelope Valley landfills would be increased by \$13,029 per day. This would make the City's total cost \$26,252 per day greater than the current cost of disposal at the Sunshine Canyon Landfill, a 194% increase. The annual cost would be increased by \$6,852,000.
- **Alternatives Five and Six.** These alternatives are based on a proposal by Community Recycling and Resource Recovery, Inc. CR&RR proposed using its existing recycling facility in Sun Valley as a transfer station. The proposed rate (\$31.00 per ton) includes transfer and hauling to the landfill, but not the cost of disposal. Because the City would need to contract

separately for disposal, these alternatives assume the use of the Waste Management proposed landfills. Alternative Five therefore assumes a disposal cost of \$20.00 per ton at the Antelope Valley landfills, while Alternative Six assumes a disposal cost of \$24.50 per ton at El Sobrante. These alternatives assume that ten percent of the refuse is recycled, reducing the City's disposal cost. Ten percent is the minimum recycling percentage noted during the team's interview with CR&RR. Because the transfer station requires a longer driving distance for the collection trucks than Sunshine Canyon, these alternatives would increase the City's operating costs by \$3,319 per day. The total cost for the least costly of the two alternatives would be greater than the current cost by \$14,281 per day or \$3,727,000 per year, a 105% increase.

- **Alternative Seven.** This alternative is similar to that proposed by BLT Enterprises, Inc. (Alternative Eight), except that it assumes that BLT will be unable to construct its proposed transfer station, so that the refuse collection trucks will be forced to drive to CLARTS. The increased operations cost for the trucks and CLARTS more than offsets the reduction in the price paid to BLT, so that the City's total costs are increased by \$16,343 per day, or 61%. This alternative would increase the daily cost of disposal by \$29,575, or 218% more than the current cost. The annual cost would be increased by \$7,719,000.
- **Alternative Eight.** This alternative was proposed by BLT Enterprises, Inc. It includes hauling from its proposed transfer station in the mid-Valley and disposal of the solid waste at any of several possible landfills. The price of \$49.17 per ton includes transfer, hauling and disposal services. Because the transfer station requires a shorter driving distance for the collection trucks than Sunshine Canyon, this alternative would save \$1,379 per day in the City's operating costs. The alternative would increase the daily cost of disposing West Valley refuse by \$13,232, or 98% more than the current cost. The annual cost would be increased by \$3,454,000.
- **Alternative Nine.** This alternative includes disposal of the solid waste using capacity at two landfills in Orange County, as proposed by Burrtec. Burrtec has proposed to charge the City \$34.65 per ton for disposal, but did not propose to haul the solid waste from a transfer station to the landfill. This assumption therefore assumes that CR&RR will be separately contracted to providing transfer and hauling services. The alternative therefore includes an additional cost for hauling as proposed by CR&RR. Because the transfer station requires a longer driving distance for the collection trucks than Sunshine Canyon, this alternative would increase the City's operating cost by \$3,319 per day. The alternative would increase the total daily disposal cost by \$25,388, or 187% more than the current cost of disposal at the Sunshine Canyon Landfill. The annual cost would be increased by \$6,626,000.

D. Western

Following are six alternatives proposed for the Western Wasteshed:

- **Alternatives One and Two.** These alternatives are proposed by Waste Management Inc. Both alternatives assume use of Waste Management's Carson Transfer Station, so the Waste Management proposal includes the costs of transfer, hauling to the landfill and disposal at the landfill. These alternatives assume that five percent of the refuse is recycled at the Bradley Transfer Station, reducing the City's disposal cost. Five percent is the minimum recycling included in the Waste Management proposal. Because the transfer station requires a longer driving distance for the collection trucks than Sunshine Canyon, these alternatives would increase the City's operating costs by \$2,012 per day.

The only difference between the two alternatives is the final disposal site. Alternative One assumes final disposal at the El Sobrante Landfill, near Corona in Riverside County, at a cost of \$24.50 per ton. Alternative Two assumes final disposal at either of the two landfills in Antelope Valley at a cost of \$20 per ton. The less expensive of the two alternatives, Alternative One (disposal in Antelope Valley) would result in a daily increase of \$4,606 and an annual increase of \$1,202,000 over the cost of disposing the refuse at the Sunshine Canyon Landfill, a 27% increase.

- **Alternative Three.** This alternative was proposed by BLT Enterprises, Inc. The proposal includes hauling waste from the Western Wasteshed from CLARTS and disposal of the solid waste at any of several possible landfills. The price of \$37.13 per ton includes hauling and disposal services. The City would incur an additional cost of \$2.33 per ton in transferring the waste at CLARTS. Because CLARTS requires a longer average driving distance for the collection trucks than the current disposal at Southern California Disposal Inc. and at Sunshine Canyon, this alternative would increase the City's operating costs by \$9,378 per day. The alternative would increase the daily cost of disposing the Western Wasteshed refuse by \$12,757, or 74% more than the current cost. The annual cost would be increased by \$3,329,000.
- **Alternative Four.** This alternative was proposed by Southern California Disposal Inc., with some modifications assumed by the proposal review team. One assumption is that So. Cal. Disposal will accept the entire 523 tons per day from the Western Wasteshed, plus increases over time. It proposed to take only 350 tons per day. Another assumption is that it will be willing to transfer the waste at its Santa Monica transfer station and haul it to Waste Management's Antelope Valley landfills for the rate that it proposed for distances less than fifty miles (\$39.00 per ton), though the actual mileage is greater. Because the transfer station requires a much

shorter driving distance for the collection trucks than Sunshine Canyon, this alternative would save \$6,023 per day in the City's operating costs. The daily cost would be increased by 7,575, or 44% more than the current cost of disposal at the Sunshine Canyon Landfill. The annual cost would be increased by \$1,977,000.

- **Alternatives Five and Six.** In these two alternatives, the City would transfer its waste from the Western Wasteshed at CLARTS and then contract to haul the waste from CLARTS to Waste Management's Antelope Valley landfills in Alternative Five, where it would be disposed of at \$20.00 per ton and at Waste Management's El Sobrante Landfill in Alternative Six, where it would be disposed at \$24.50 per ton. The City's cost of transferring the waste would be \$2.33 per ton, while the hauling cost would be \$11.33 per ton in Alternative Five and \$12.00 per ton in Alternative Six. Because CLARTS requires a longer average driving distance for the collection trucks than the current disposal at Southern California Disposal Inc. and at Sunshine Canyon, these alternatives would increase the City's operating costs by \$9,378 per day. The less expensive of the two alternatives, Alternative Five (disposal in Antelope Valley) would result in a daily increase of \$9,723 and an annual increase of \$2,538,000 over the cost of disposing the refuse at the Sunshine Canyon Landfill, a 56% increase.

E. Harbor

Three alternatives are identified for the Harbor Wasteshed, as follows:

- **Alternatives One and Two.** Waste Management Inc proposed these alternatives. Both alternatives assume use of Waste Management's Carson Transfer Station, so the proposal includes the costs of transfer, hauling to the landfill and disposal at the landfill. These alternatives assume that five percent of the refuse is recycled at the Bradley Transfer Station, reducing the City's disposal cost. Five percent is the minimum recycling percentage proposed by Waste Management. The disposal proposal review team assumed that the City will continue to dispose 104 tons per day from the Harbor Wasteshed at SERRF, so that Waste Management will handle only the remaining ninety tons per day. The only difference between the two alternatives is the final disposal site. Alternative One assumes final disposal at the El Sobrante Landfill, near Corona in Riverside County, at a cost of \$24.50 per ton. Alternative Two assumes final disposal at either of the two landfills in Antelope Valley at a cost of \$20 per ton.

Because the Carson Transfer Station requires a longer driving distance for the collection trucks than the current practice of transferring the ninety tons per day at the Falcon Transfer Station in Wilmington, these alternatives would increase the City's operating costs by \$2,277 per day. This makes the two alternatives more costly than the current practice, which includes

hauling the waste from Falcon to Sunshine Canyon. Alternative Two (disposal at the Antelope Valley Landfills) would cost the City \$1,795 per day, or \$469,000 per year more than the current practice, a 24% increase.

- **Alternative Three.** In this alternative, the collection trucks would drive the ninety tons per day that are not disposed at SERRF to CLARTS. BLT Enterprises, Inc. would then haul the waste from CLARTS to one of several possible landfills. BLT's price of \$37.13 per ton includes hauling and disposal services. The City would incur an additional cost of \$2.33 per ton in transferring the waste at CLARTS. Because CLARTS requires a much longer driving distance for the collection trucks than the Falcon Transfer Station, this alternative would increase the City's operating costs by \$4,443 per day. Without the increased operating cost, BLT's proposal would be competitive with the other proposals. The alternative would increase the daily disposal cost by \$4,292 over the current cost of disposal, a 56% increase. The annual costs would be increased by \$1,120,000.

IV. Conclusion

As noted in the introduction, the intent of this report is to facilitate management discussions with the City Council and Mayor regarding available options for disposing of the City's solid waste. The analysis contained herein results in the conclusion that each of the objectives (to implement the Landfill Oversight Committee Recommendations, to identify disposal and/or transfer service options, and to consider transfer service contracts for Harbor, Western, East Valley and West Valley) can be achieved.

It is important to note that the scope of this evaluation did not include follow-up negotiations with the proponent companies, and as such the estimates and operating assumptions presented herein may not necessarily represent final figures.

TOTAL DAILY WASTE GENERATION

City	
Daily Refuse & Green Waste Generated By Districts In FY 02-03	
Daily Collection -	Total Refuse ----- 3,575 Tons
All Districts	Total Green Waste ----- 1,809 Tons
	Total Recycle ----- 1,016 Tons

City Departments *

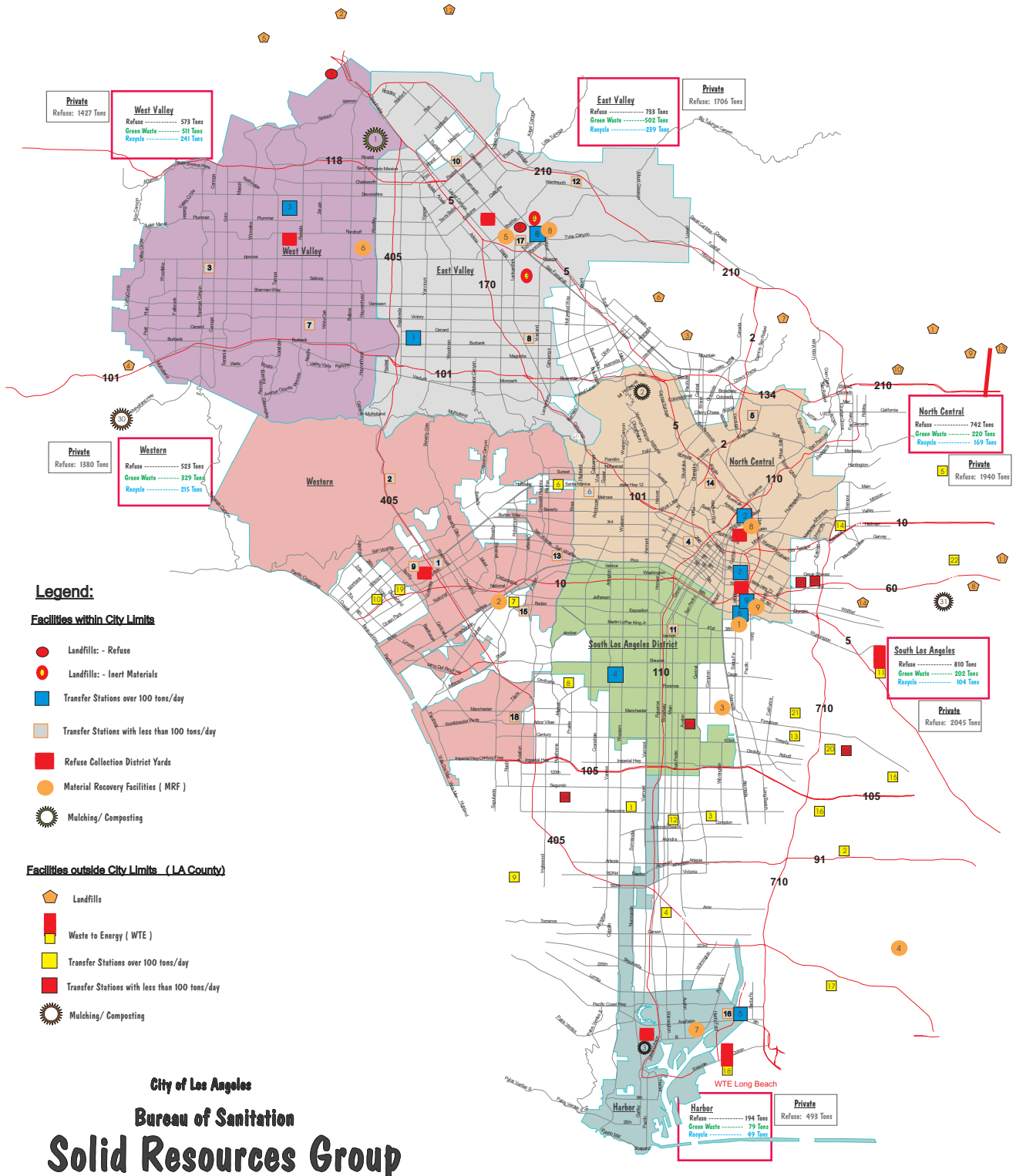
Refuse: 1250 Tons/Day
Based on Year 2000

Private

Refuse: 9000 Tons/Day

*City Departments include:

Street Services, Rec & Parks, Harbor, Airport,
Water & Power, General Services, Zoo, Convention Center

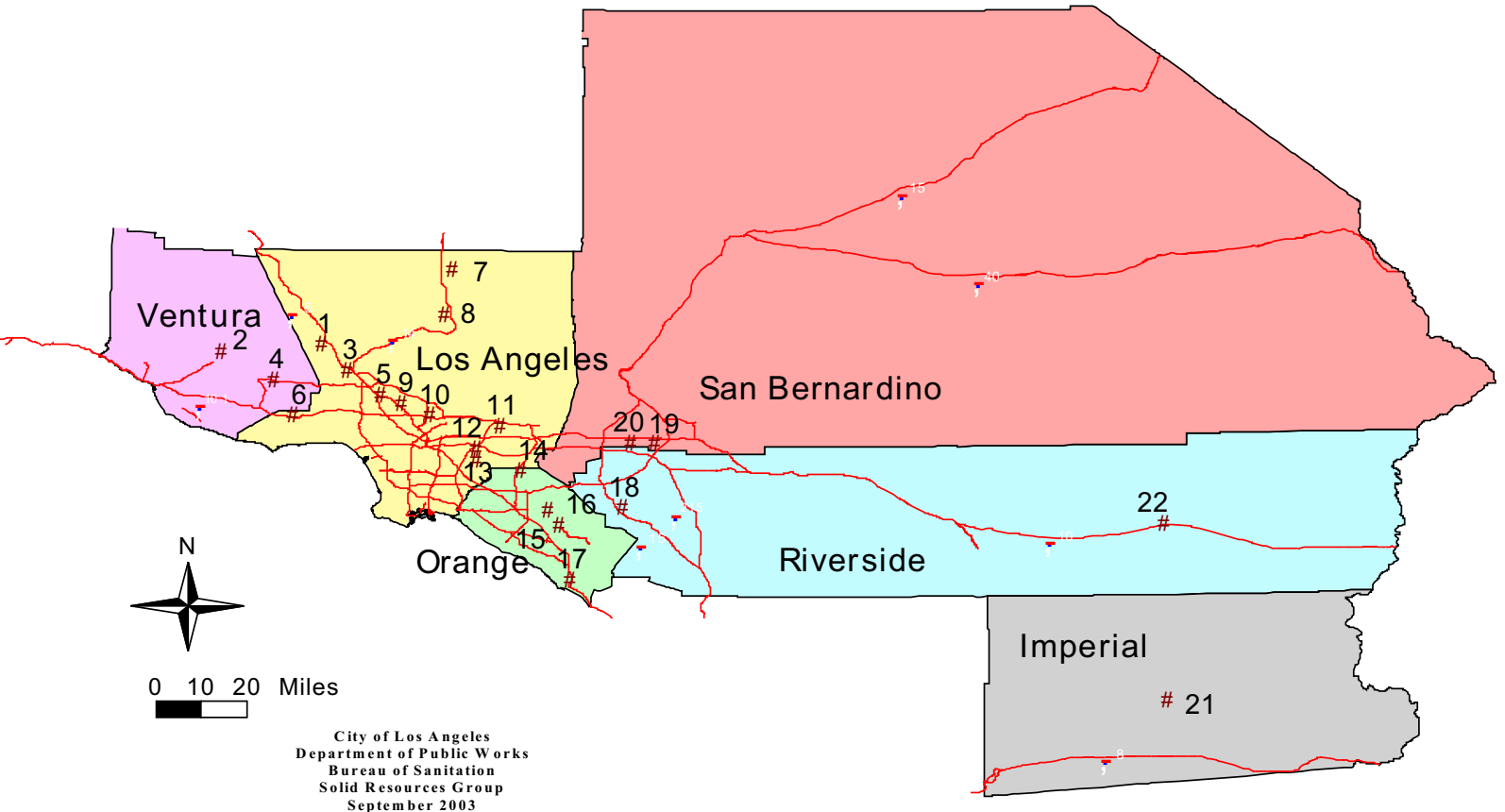


Active Landfills in the Los Angeles Region

Attachment 4

No.	LANDFILL (Owner) Address	Permitted Tons/Day	No.	LANDFILL (Owner) Address	Permitted Tons/Day
1	Chiquita Canyon (Republic) 29201 Henry Mayo Dr. Valencia, CA 91355	6,000.00 Tons/day	12	Puente Hills Landfill (Los Angeles County) 2800 South Workman Mill Road CA 90601	13,200.00 Tons/day
2	Toland Road (Ventury County) 3500 N. Toland Rd., CA 92060	1,500.00 Tons/day	13	Savage Canyon (City of Whittier) 13919 East Penn Street CA 90602	350.00 Tons/day
3	Sunshine Canyon SLF (BFI) 14747 San Fernando Rd CA 91342	6,600.00 Tons/day	14	Olinda Alpha (Orange County) 1942 N. Valencia Avenue CA 92823	8,000.00 Tons/day
4	Simi Valley (Waste Management) 2801 Madera Road CA 93065	3,000.00 Tons/day	15	Santiago Canyon (Orange County) 3099 Santiago Canyon Road CA 92862	4,900.00 Tons/day
5	Bradley Landfill (Waste Management) 9227 Tujunga Ave. CA 91352	10,000.00 Tons/day	16	Frank R. Bowerman (Orange County) 11002 Bee Canyon Access Road CA 92618	8,500.00 Tons/day
6	Calabasas Landfill (Los Angeles County) 5300 Lost Hills Road CA 91301	3,500.00 Tons/day	17	Prima Deshecha (Orange County) 22250 La Pata Avenue CA 92675	4,000.00 Tons/day
7	Lancaster Landfill (Waste Management) 600 East Avenue 'F' CA 93535	1,700.00 Tons/day	18	El Sobrante (U.S.A. Waste/Waste Management)) 10910 Dawson Canyon Road 91719	10,000.00 Tons/day
8	Antelope Valley (Arkin Brothers) 1200 West City Ranch Road CA 93551	1,400.00 Tons/day	19	Colton Refuse Disposal (San Bernardino County) 850 Tropica Rancho Road CA 92324	3,100 Tons/day
9	Burbank Landfill (City of Burbank) 1600 Lockheed View Drive CA 91504	240.00 Tons/day	20	Mid-Valley Fontana Refuse Disposal (San Bernardino County) 2390 N. Alder Avenue CA 92377	7,500.00 Tons/day
10	Scholl Canyon (Los Angeles County) 3001 Scholl Canyon Road CA 91206	3,400.00 Tons/day	21*	Mesquite Regional Landfill (And Operations Inc) 6502 E Hwy 78 CA	-----
11	Azusa Landfill (Azusa Land Co.) 1211 West Gladstone Street CA 91720	6,500.00 Tons/day	22*	Eagle Mountain Landfill (Mine Reclamation) 10 Miles North Of Desert Center CA 92239	-----

* In permit process



Attachment 1

Table 1
City-Wide Distribution of Solid Waste Tonnage

Wasteshed	Noted in RFP ¹			FY 02/03 Actual
	Min. Annual Guarantee (In Tons)	Annual Range (Tons)	Daily Range (TPD)	
Metro (N & S)	235,000	235K - 429K	900 - 1,702	1,552 TPD
East Valley	96,000	96K - 181K	370 - 718	733 TPD
West Valley	92,000	92K - 161K	354 - 639	573 TPD
Western	84,000	84K - 159K	322 - 631	523 TPD
Harbor	7,800	7.8K - 48.2K	30 - 191	194 TPD

¹ This information is noted in the 2004 RFP. The minimum annual tonnage represents a minimum amount that the City will guarantee in the event a contract is executed, the annual and daily ranges are based on past operating experience. These figures are provided for reference only and are not used in the financial analysis

Table 2
Projection of City-Wide Distribution of Solid Waste Tonnage²

Wasteshed	Actual FY 02/03	Projected FY 05/06	Projected FY 10/11	Projected FY 15/16	Projected FY 20/21
Metro (N & S)	1,552	1,599	1,681	1,766	1,856
East Valley	733	755	794	834	877
West Valley	573	590	620	652	685
Western	523	539	566	595	626
Harbor	194	200	210	221	232
Total	3,575	3,683	3,871	4,069	4,276

² Assumed Growth Rate based on growth between FY 98/99 through FY 03/04:

1.00%

Table 3
Current Solid Waste Disposal Strategy³

Wasteshed	FY 02/03 Tons Per Day	Transfer/ Transport	Sunshine Canyon	Total (Per Ton)
Metro (CLARTS)	1,552	\$12.52	\$22.12	\$34.64
E Valley	733		\$23.67	\$23.67
W Valley	573		\$23.67	\$23.67
Western (Self Haul)	262		\$23.67	\$23.67
Western (So Cal Trf)	262	\$20.21	\$22.12	\$42.33
Harbor (Falcon Trf)	90	\$21.19	\$22.12	\$43.31
Harbor (SERRF)	104	\$35.68		\$35.68

³ Where applicable, rates have been adjusted to reflect CPI and expected labor contract adjustments.

Attachment 2

Operating Assumptions¹

1. SERRF continues to accept 104 TPD.
2. Growth of solid waste tonnage is assumed to be the same regardless of which disposal strategy is used. Therefore, increases in disposal waste tonnages beyond 2006 are immaterial for financial analysis purposes.
3. 3% inflation rate.
4. The terms and conditions of the current contract with BFI are assumed to be valid and binding by both parties despite the BFI letter dated May 19, 2004. Among other things this letter proposed revised disposal rates and requested that the City make a commitment regarding extension of the current contract by June 15, 2004.
5. There is sufficient capacity at various landfills in the Los Angeles Region to accept solid refuse from the City of Los Angeles for the next 15 years. Therefore, proposed rail haul alternatives were not included in analysis.
6. The cost, not including fixed costs such as debt service and capital, of CLARTS transloading services is \$4.80 per ton assuming the current level of processing. The incremental cost for waste collected from the East and West Valley Wastesheds is \$2.51 additional tonnage, the incremental cost for waste collected from the Harbor and Wester Wastesheds is \$2.33 per ton.

¹**Applied to analysis of all alternatives**

Attachment 3

Summary of RFP Responses

Waste Management Inc.			
Wasteshed	Transfer Service	El Sobrante	Total
Metro (Disposal Only)	\$0.00	\$24.50	\$24.50
Western (From Carson)	\$15.98	\$24.50	\$40.48
Harbor (From Carson)	\$15.98	\$24.50	\$40.48
E Valley (From Bradley)	\$21.07	\$24.50	\$45.57
W Valley (From Bradley)	\$21.07	\$24.50	\$45.57

Waste Management Inc.			
Wasteshed	Transfer Service	AVP/LLRC	Total
Metro (Disposal Only)	\$0.00	\$20.00	\$20.00
Western (From Carson)	\$18.96	\$20.00	\$38.96
Harbor (From Carson)	\$18.96	\$20.00	\$38.96
E Valley (From Bradley)	\$21.89	\$20.00	\$41.89
W Valley (From Bradley)	\$21.89	\$20.00	\$41.89

BLT Enterprises, Inc. (Truck Haul)		
Wasteshed	Haul & Dispose from CLARTS to various (No Transfer Services Proposed)	Total
Metro	\$37.13	\$37.13
Western	\$37.13	\$37.13
Harbor	\$37.13	\$37.13

BLT Enterprises, Inc. (Rail Haul)		
Wasteshed	Haul & Dispose from CLARTS to various (No Transfer Services Proposed)	Total
Metro	\$47.46	\$47.46
Western	\$47.46	\$47.46
Harbor	\$47.46	\$47.46

BLT Enterprises, Inc. (Truck Haul)		
Wasteshed	Transfer, Transport and Disposal from New Valley Trf, Disposal at Various	Total
E Valley	\$49.17	\$49.17
W Valley (Not in Proposal)	\$49.17	\$49.17

BLT Enterprises, Inc. (Rail Haul)		
Wasteshed	Transfer, Transport and Disposal from New Valley Trf, Disposal at Various	Total
E Valley	\$53.55	\$53.55
W Valley (Not in Proposal)	\$53.55	\$53.55

Burrtec			
Wasteshed	Disposal Only Landfill	OC	Total
Metro	\$34.65		\$34.65

So. Cal. Disposal & Recycling Co.		
Wasteshed	So Cal Disposal Transfer Station (>25,<50 Miles)	Total
Western	\$39.00	\$39.00

Community Recy & Res Recov, Inc.			
Wasteshed	CRRR Transfer (>50, < 100 Miles)	Disposal Fee (AVPL/LLRC)	Total
E Valley	\$31.00	\$20.00	\$51.00
W Valley	\$31.00	\$20.00	\$51.00

Proposer did not include disposal as part of proposal. Viable disposal locations are more than 50 miles from So Cal Disposal Transfer Station.

Proposal noted 20% diversion (1% from revenue), 10% noted during interview, 10% used for analysis purposes.

Attachment 4

Summary of Qualitative Evaluation (Maximum Points: 50)

Proposer	1 Prior Experience	2 Project Feasibility	3 Technical Proposal Practicality	4 Proposal Responsive- ness	5 Recycling Plan	Total
<i>Waste Management</i>	9.67	8.40	7.53	9.00	8.20	41.43
<i>BLT</i>	7.83	6.97	6.20	7.27	6.30	34.57
<i>Burrtec</i>	7.33	3.33	4.50	3.50	3.00	21.67
<i>SoCal Disposal</i>	6.83	8.17	6.83	6.83	5.00	33.67
<i>Community Recycling & Resource Recovery</i>	8.33	7.50	7.00	6.83	8.33	38.00

Attachment 5

Summary of Alternatives

Wasteshed	Disposal Cost	CLARTS Transfer	BOS Haul fr CLARTS	Op Costs	Total (Per Day)
Metro (Current: CLARTS Trf & Private Haulers to SCL)					\$ 53,304
1 CLARTS Transfer to EI Sobrante (BOS Hauling to WM site)	\$ 38,024	\$ 7,448	\$ 18,624	\$ -	\$ 64,096
2 CLARTS Transfer to AVP/LLRC (BOS Hauling to WM site)	\$ 31,040	\$ 7,448	\$ 17,585	\$ -	\$ 56,073
3 CLARTS Transfer to other sites (BLT Hauling to various sites)	\$ 57,626	\$ 7,448	\$ -	\$ -	\$ 65,074
4 CLARTS to Various OC Landfills (BOS Hauling to Burrtec sites)	\$ 45,690	\$ 7,448	\$ 12,906	\$ -	\$ 66,044
East Valley (Current: BOS Direct Haul to SCL)					\$ 17,350
1 Bradley Transfer Station to AVP/LLRC Landfill (WM Trf/Hauling to WM site)	\$ 29,972	\$ -	\$ -	\$ (3,447)	\$ 26,526
2 Bradley Transfer Station to EI Sobrante (WM Trf/Hauling to WM site)	\$ 32,505	\$ -	\$ -	\$ (3,447)	\$ 29,058
3 CLARTS Transfer to EI Sobrante (BOS Hauling to WM site)	\$ 17,959	\$ 1,840	\$ 8,796		\$ 28,594
4 CLARTS Transfer to AVPL/LLRC (BOS Hauling to WM site)	\$ 14,660	\$ 1,840	\$ 8,305	\$ 19,565	\$ 44,370
5 CR&RR Transfer to AVPL/LLRC (CR&RR Trf/Haul to WM site)	\$ 35,917	\$ -	\$ -	\$ (3,454)	\$ 32,463
6 CR&RR Transfer to EI Sobrante (CR&RR Trf/Haul to WM site)	\$ 38,886	\$ -	\$ -	\$ (3,454)	\$ 35,431
7 CLARTS to Various (BLT Haul to various sites)	\$ 27,216	\$ 1,840	\$ -	\$ 19,565	\$ 48,621
8 Proposed TRF Station to Various (BLT Trf/Haul to various sites)	\$ 36,042	\$ -	\$ -	\$ (1,526)	\$ 34,516
9 CR&RR Transfer to OC Landfill (CR&RR Trf/Haul to Burrtec site)	\$ 45,582	\$ -	\$ -	\$ (3,454)	\$ 42,127
West Valley (Current: BOS Direct Haul to SCL)					\$ 13,563
1 Bradley Transfer Station to AVP/LLRC Landfill (WM Trf/Hauling to WM site)	\$ 23,430	\$ -	\$ -	\$ 3,356	\$ 26,786
2 Bradley Transfer Station to EI Sobrante (WM Trf/Hauling to WM site)	\$ 25,410	\$ -	\$ -	\$ 3,356	\$ 28,766
3 CLARTS Transfer to EI Sobrante (BOS Hauling to WM site)	\$ 14,039	\$ 1,438	\$ 6,876	\$ 20,425	\$ 42,777
4 CLARTS Transfer to AVPL/LLRC (BOS Hauling to WM site)	\$ 11,460	\$ 1,438	\$ 6,492	\$ 20,425	\$ 39,815
5 CR&RR Transfer to AVPL/LLRC (CR&RR Trf/Haul to WM site)	\$ 24,524	\$ -	\$ -	\$ 3,319	\$ 27,844
6 CR&RR Transfer to EI Sobrante (CR&RR Trf/Haul to WM site)	\$ 30,398	\$ -	\$ -	\$ 3,319	\$ 33,717
7 CLARTS to Various sites (BLT Haul to various sites)	\$ 21,275	\$ 1,438	\$ -	\$ 20,425	\$ 43,138
8 Proposed TRF Station to Various (BLT Trf/Haul to various sites)	\$ 28,174	\$ -	\$ -	\$ (1,379)	\$ 26,795
9 CR&RR Transfer to OC Landfill (CR&RR Trf/Haul to Burrtec site)	\$ 35,632	\$ -	\$ -	\$ 3,319	\$ 38,951
Western (Current: 50% So Cal Trf & Haul to SCL, 50% BOS Direct Haul to SCL)					\$ 17,259
1 Carson Transfer Station to EI Sobrante (WM Trf/Haul to WM Site)	\$ 20,530	\$ -	\$ -	\$ 2,012	\$ 22,542
2 Carson Transfer Station to AVP/LLRC (WM Trf/Haul to WM Site)	\$ 19,853	\$ -	\$ -	\$ 2,012	\$ 21,865
3 CLARTS Transfer Station to Various Sites (BLT Haul to various sites)	\$ 19,419	\$ 1,219	\$ -	\$ 9,378	\$ 30,016
4 So Cal Trf Station to AVPL/LLRC (SoCal Trf/Haul to WM Site)	\$ 30,857	\$ -	\$ -	\$ (6,023)	\$ 24,834
5 CLARTS Transfer Station to AVPL/LLRC (BOS Haul to WM Site)	\$ 10,460	\$ 1,219	\$ 5,926	\$ 9,378	\$ 26,982
6 CLARTS Transfer Station to EI Sobrante (BOS Haul to WM Site)	\$ 12,814	\$ 1,219	\$ 6,276	\$ 9,378	\$ 29,686
Harbor (Current: 104 TPD to SERFF, 90 TPD to BFI Falcon Trf, BFI Haul to SCL)					\$ 7,608
1 Carson Trf Sta to EI Sobrante (90 to SERFF, 104 WM TRF/Haul to WM Site)	\$ 7,243	\$ -	\$ -	\$ 2,277	\$ 9,520
2 Carson Trf Sta to AVP/LLRC (90 to SERFF, 104 WM TRF/Haul to WM Site)	\$ 7,127	\$ -	\$ -	\$ 2,277	\$ 9,404
3 CLARTS Trf Sta to Various (90 TPD to SERFF, 104 TPD BLT Haul to Various Sites)	\$ 7,052	\$ 405		\$ 4,443	\$ 11,900

SCL: Sunshine Canyon Landfill

Attachment 6
Analysis of Alternatives
Metro Wasteshed

Existing Condition - Solid Waste Disposal Strategy	2006 Rate	TPD	Total
CLARTS Transloading	\$ 4.80	1,552	\$ 7,448
Hauling from CLARTS to Sunshine	\$ 7.43	1,552	\$ 11,526
Sunshine Disposal	\$ 22.12	1,552	\$ 34,330
Sub Total			\$ 53,304

Alternative 1 - Waste Management Inc.	2006 Rate	TPD	Total
El Sobrante Disposal	\$ 24.50	1,552	\$ 38,024
Sub Total			\$ 38,024
Net Cost of Changes in Operations			\$ -
Cost of CLARTS Transfer	\$ 4.80	1,552	\$ 7,448
Cost of Hauling from CLARTS to El Sobrante	\$ 12.00	1,552	\$ 18,624
Alternative 1 - Total Cost			\$ 64,096

Alternative 2 - Waste Management Inc.	2006 Rate	TPD	Total
AVPL/LLRC Disposal	\$ 20.00	1,552	\$ 31,040
Sub Total			\$ 31,040
Net Cost of Changes in Operations			\$ -
Cost of CLARTS Transfer	\$ 4.80	1,552	\$ 7,448
Cost of Hauling from CLARTS to AVPL/LLRC	\$ 11.33	1,552	\$ 17,585
Alternative 2 - Total Cost			\$ 56,073

Alternative 3 - BLT	2006 Rate	TPD	Total
CLARTS Transfer/Transpo to El Sobrante/AVP/LLRC/Sim	\$ 37.13	1,552	\$ 57,626
Sub Total			\$ 57,626
Net Cost of Changes in Operations			\$ -
Cost of CLARTS Transfer	\$ 4.80	1,552	\$ 7,448
Alternative 3 - Total Cost			\$ 65,074

Alternative 4 - Burrtec	2006 Rate	TPD	Total
OC Landfill Disposal	34.65	1,000	\$ 34,650
AVPL/LLRC Disposal	20	552	\$ 11,040
Sub Total			\$ 45,690
Net Cost of Changes in Operations			\$ -
Cost of CLARTS Transfer	\$ 4.80	1,552	\$ 7,448
Cost of Hauling (Assume Brea)	\$ 6.65	1,000	\$ 6,652
Hauling from CLARTS to AVPL/LLRC	\$ 11.33	552	\$ 6,254
Alternative 4 - Total Cost			\$ 66,044

Attachment 6
Analysis of Alternatives

Harbor Wasteshed

Existing Condition - Solid Waste Disposal Strategy	2006 Rate	TPD
Long Beach SERFF (Assume 104 TPD)	\$ 35.68	104
TRF To Sunshine (from Falcon Trf, Wilmington)	\$ 21.19	90
Sunshine Disposal	\$ 22.12	90
Sub Total		

Alternative 1 - Waste Management Inc.	2006 Rate	TPD
Carson Transfer to El Sobrante	\$ 15.98	90
Long Beach SERFF	\$ 35.68	104
El Sobrante Disposal	\$ 24.50	90
Recycling Diversion	\$ 24.50	(4.5)
Sub Total		
Net Cost of Changes in Operations		
Alternative 1 - Total Cost		

Alternative 2 - Waste Management Inc.	2006 Rate	TPD
Carson Transfer to AVP/LLRC	\$ 18.96	90
Long Beach SERFF	\$ 35.68	104
AVPL/LLRC Disposal	\$ 20.00	90
Recycling Diversion	\$ 20.00	(4.5)
Sub Total		
Net Cost of Changes in Operations		
Alternative 2 - Total Cost		

Alternative 3 - BLT (Truck Transport)	2006 Rate	TPD
Dispose fr CLARTS to Various Others	\$ 37.13	90
Long Beach SERFF	\$ 35.68	104
Sub Total		
Net Cost of Changes in Operations		
Cost of CLARTS Transfer	\$ 2.33	90
Alternative 3 - Total Cost		

Attachment 6

Analysis of Alternatives

Total	
\$	3,711
\$	1,907
\$	1,991
\$	7,608

Total	
\$	1,438
\$	3,711
\$	2,205
\$	(110)
\$	7,243
\$	2,277
\$	9,520

Total	
\$	1,706
\$	3,711
\$	1,800
\$	(90)
\$	7,127
\$	2,277
\$	9,404

Total	
\$	3,342
\$	3,711
\$	7,052
\$	4,443
\$	405
\$	11,900

Attachment 6
Analysis of Alternatives
Western Wasteshed

Existing Condition - Solid Waste Disposal Strategy	2006 Rate	TPD	Total
So Cal Transfer Station (Trf & Hauling Only)	\$ 20.21	261.5	\$ 5,285
Sunshine Disposal (So Cal Hauling)	\$ 22.12	261.5	\$ 5,784
Sunshine Disposal (Self Haul)	\$ 23.67	261.5	\$ 6,190
Sub Total			\$ 17,259

Alternative 1 - Waste Management Inc.	2006 Rate	TPD	Total
Carson Transfer to El Sobrante	\$ 15.98	523	\$ 8,358
El Sobrante Disposal	\$ 24.50	523	\$ 12,814
Recycling Diversion	\$ 24.50	(26.2)	\$ (641)
Sub Total			\$ 20,530
Net Cost of Changes in Operations			\$ 2,012
Alternative 1 - Total Cost			\$ 22,542

Alternative 2 - Waste Management Inc.	2006 Rate	TPD	Total
Carson Transfer to AVPL/LLRC	\$ 18.96	523	\$ 9,916
AVPL/LLRC Disposal	\$ 20.00	523	\$ 10,460
Recycling Diversion	\$ 20.00	(26.2)	\$ (523)
Sub Total			\$ 19,853
Net Cost of Changes in Operations			\$ 2,012
Alternative 2 - Total Cost			\$ 21,865

Alternative 3 - BLT	2006 Rate	TPD	Total
CLARTS Transfer to El Sobrante/AVP/LLRC/Simi	\$ 37.13	523	\$ 19,419
Sub Total			\$ 19,419
Net Cost of Changes in Operations			\$ 9,378
Cost of CLARTS Transfer	\$ 2.33	523	\$ 1,219
Alternative 3 - Total Cost			\$ 30,016

Alternative 4 - So Cal Disposal	2006 Rate	TPD	Total
Transfer to AVPL/LLRC from So Cal Trf	\$ 39.00	523	\$ 20,397
AVPL/LLRC Disposal	\$ 20.00	523	\$ 10,460
Sub Total			\$ 30,857
Net Cost of Changes in Operations			\$ (6,023)
Alternative 4 - Total Cost			\$ 24,834

Attachment 6
Analysis of Alternatives
Western Wasteshed

Alternative 5 - Waste Management	2006 Rate	TPD	Total
AVPL/LLRC Disposal	\$ 20.00	523	\$ 10,460
Sub Total			\$ 10,460
Net Cost of Changes in Operations			\$ 9,378
Cost of CLARTS Transfer	\$ 2.33	523	\$ 1,219
Hauling from CLARTS to AVPL/LLRC	\$ 11.33	523	\$ 5,926
Alternative 5 - Total Cost			\$ 26,982

Alternative 6 - Waste Management	2006 Rate	TPD	Total
El Sobrante	\$ 24.50	523	\$ 12,814
Sub Total			\$ 12,814
Net Cost of Changes in Operations			\$ 9,378
Cost of CLARTS Transfer	\$ 2.33	523	\$ 1,219
Hauling from CLARTS to El Sobrante	\$ 12.00	523	\$ 6,276
Alternative 6 - Total Cost			\$ 29,686

Attachment 6
Analysis of Alternatives
East Valley Wasteshed

Existing Condition - Solid Waste Disposal Strategy	2006 Rate	TPD	Total
Self Haul to Sunshine	\$ 23.67	733	\$ 17,350
Sub Total			\$ 17,350

Alternative 1 - Waste Management Inc.	2006 Rate	TPD	Total
Bradley Transfer to AVPL/LLRC	\$ 21.89	733	\$ 16,045
AVPL/LLRC Disposal	\$ 20.00	733	\$ 14,660
Recycling Diversion	\$ 20.00	(36.7)	\$ (733)
Sub Total			\$ 29,972
Net Cost of Changes in Operations			\$ (3,447)
Alternative 1 - Total Cost			\$ 26,526

Alternative 2 - Waste Management Inc.	2006 Rate	TPD	Total
Bradely Transfer to El Sobrante	\$ 21.07	733	\$ 15,444
El Sobrante Disposal	\$ 24.50	733	\$ 17,959
Recycling Diversion	\$ 24.50	(36.7)	\$ (898)
Sub Total			\$ 32,505
Net Cost of Changes in Operations			\$ (3,447)
Alternative 2 - Total Cost			\$ 29,058

Alternative 3 - Waste Management Inc.	2006 Rate	TPD	Total
El Sobrante Disposal	\$ 24.50	733	\$ 17,959
Sub Total			\$ 17,959
Net Cost of Changes in Operations			\$ 19,565
CLARTS Transloading	\$ 2.51	733	\$ 1,840
Hauling from CLARTS	\$ 12.00	733	\$ 8,796
Alternative 3 - Total Cost			\$ 48,159

Alternative 4 - Waste Management Inc.	2006 Rate	TPD	Total
AVPL/LLRC Disposal	\$ 20.00	733	\$ 14,660
Sub Total			\$ 14,660
Net Cost of Changes in Operations			\$ 19,565
CLARTS Transloading	\$ 2.51	733	\$ 1,840
Hauling from CLARTS	\$ 11.33	733	\$ 8,305
Alternative 4 - Total Cost			\$ 44,370

Attachment 6
Analysis of Alternatives
East Valley Wasteshed

Alternative 5 - Comm Recycling & Resource Recover	2006 Rate	TPD	Total
CR&RR Transfer to AVP/LLRC (50 - 100 Mile Rate)	\$ 31.00	733	\$ 22,723
AVPL/LLRC Disposal (Assumed Rate)	\$ 20.00	733	\$ 14,660
Recycling Diversion (Tonnage Only - Rev Unk)	\$ 20.00	(73)	\$ (1,466)
Sub Total			\$ 35,917
Net Cost of Changes in Operations			\$ (3,454)
Alternative 5 - Total Cost			\$ 32,463

Alternative 6 - Community Recycling & Resource Recovery	2006 Rate	TPD	Total
CR&RR to El Sobrante (50 - 100 Mile Rate)	\$ 31.00	733	\$ 22,723
Recycling Diversion (Tonnage Only - Rev Unk)	\$ 24.50	(73)	\$ (1,796)
El Sobrante Disposal	\$ 24.50	733	\$ 17,959
Sub Total			\$ 38,886
Net Cost of Changes in Operations			\$ (3,454)
Alternative 6 - Total Cost			\$ 35,431

Note: This option not included in response to RFP. Rate proposed for 50-100 mile transport is assumed.

Alternative 7 - BLT	2006 Rate	TPD	Total
Dispose fr CLARTS to Various Others	\$ 37.13	733	\$ 27,216
Sub Total			\$ 27,216
Net Cost of Changes in Operations			\$ 19,565
Cost of CLARTS Transfer	\$ 2.51	733	\$ 1,840
Alternative 7 - Total Cost			\$ 48,621

Note: This option not included in response to RFP. Rate proposed for Metro/Western/Harbor is assumed applicable to Valley refuse transferred at CLARTS.

Alternative 8 - BLT	2006 Rate	TPD	Total
Dispose fr proposed Trf Station to Various Others	\$ 49.17	733	\$ 36,042
Sub Total			\$ 36,042
Net Cost of Changes in Operations			\$ (1,526)
Alternative 8 - Total Cost			\$ 34,516

Attachment 6
Analysis of Alternatives
East Valley Wasteshed

Alternative 9 - Burrtec	2006 Rate	TPD	Total
Dispose fr CR&RR to OC Landfill	\$ 34.65	733	\$ 25,398
CR&RR (50 - 100 Mile Rate)	\$ 31.00	733	\$ 22,723
Recycling Diversion (Tonnage Only - Rev Unk)	\$ 34.65	(73)	\$ (2,540)
Sub Total			\$ 45,582
Net Cost of Changes in Operations			\$ (3,454)
Alternative 9 - Total Cost			\$ 42,127

Attachment 6
Analysis of Alternatives

West Valley Wasteshed

Existing Condition - Solid Waste Disposal Strategy	2006 Rate	TPD	Total
Self Haul to Sunshine	\$ 23.67	573	\$ 13,563
Sub Total			\$ 13,563

Alternative 1 - Waste Management Inc.	2006 Rate	TPD	Total
Bradley Transfer to AVPL/LLRC	\$ 21.89	573	\$ 12,543
AVPL/LLRC Disposal	\$ 20.00	573	\$ 11,460
Recycling Diversion	\$ 20.00	(28.7)	\$ (573)
Sub Total			\$ 23,430
Net Cost of Changes in Operations			\$ 3,356
Alternative 1 - Total Cost			\$ 26,786

Alternative 2 - Waste Management Inc.	2006 Rate	TPD	Total
Bradely Transfer to El Sobrante	\$ 21.07	573	\$ 12,073
El Sobrante Disposal	\$ 24.50	573	\$ 14,039
Recycling Diversion	\$ 24.50	(28.7)	\$ (702)
Sub Total			\$ 25,410
Net Cost of Changes in Operations			\$ 3,356
Alternative 2 - Total Cost			\$ 28,766

Alternative 3 - Waste Management Inc.	2006 Rate	TPD	Total
El Sobrante Disposal	\$ 24.50	573	\$ 14,039
Sub Total			\$ 14,039
Net Cost of Changes in Operations			\$ 20,425
CLARTS Transloading	\$ 2.51	573	\$ 1,438
Hauling from CLARTS	\$ 12.00	573	\$ 6,876
Alternative 3 - Total Cost			\$ 42,777

Alternative 4 - Waste Management Inc.	2006 Rate	TPD	Total
AVPL/LLRC Disposal	\$ 20.00	573	\$ 11,460
Sub Total			\$ 11,460
Net Cost of Changes in Operations			\$ 20,425
CLARTS Transloading	\$ 2.51	573	\$ 1,438
Hauling from CLARTS	\$ 11.33	573	\$ 6,492
Alternative 4 - Total Cost			\$ 39,815

Attachment 6
Analysis of Alternatives
West Valley Wasteshed

Alternative 5 - Community Recycling & Resource Recovery	2006 Rate	TPD	Total
CR&RR to AVP/LLRC (50 - 100 Mile Rate)	\$ 24.80	573	\$ 14,210
AVPL/LLRC Disposal (Assumed Rate from Waste Manag)	\$ 20.00	573	\$ 11,460
Recycling Diversion (Tonnage Only - Rev Unk)	\$ 20.00	(57)	\$ (1,146)
Sub Total			\$ 24,524
Net Cost of Changes in Operations			\$ 3,319
Alternative 5 - Total Cost			\$ 27,844

Alternative 6 - Community Recycling & Resource Recovery	2006 Rate	TPD	Total
CR&RR to EI Sobrante (50 - 100 Mile Rate)	\$ 31.00	573	\$ 17,763
Recycling Diversion (Tonnage Only - Rev Unk)	\$ 24.50	(57)	\$ (1,404)
EI Sobrante Disposal	\$ 24.50	573	\$ 14,039
Sub Total			\$ 30,398
Net Cost of Changes in Operations			\$ 3,319
Alternative 6 - Total Cost			\$ 33,717

Note: This option not included in response to RFP. Rate proposed for 50-100 mile transport is assumed.

Alternative 7 - BLT	2006 Rate	TPD	Total
Dispose fr CLARTS to Various Others	\$ 37.13	573	\$ 21,275
Sub Total			\$ 21,275
Net Cost of Changes in Operations			\$ 20,425
Cost of CLARTS Transfer	\$ 2.51	573	\$ 1,438
Alternative 7 - Total Cost			\$ 43,138

Note: This option not included in response to RFP. Rate proposed for Metro/Western/Harbor is assumed applicable to Valley refuse transferred at CLARTS.

Alternative 8 - BLT	2006 Rate	TPD	Total
Dispose fr proposed Trf Station to Various Others	\$ 49.17	573	\$ 28,174
Sub Total			\$ 28,174
Net Cost of Changes in Operations			\$ (1,379)
Scenario 8 - Total Cost			\$ 26,795

Attachment 6
Analysis of Alternatives
West Valley Wasteshed

Alternative 9 - Burrtec	2006 Rate	TPD	Total
Dispose fr CR&RR to OC Landfill	\$ 34.65	573	\$ 19,854
CR&RR (50 - 100 Mile Rate)	\$ 31.00	573	\$ 17,763
Recycling Diversion (Tonnage Only - Rev Unk)	\$ 34.65	(57)	\$ (1,985)
Sub Total			\$ 35,632
Net Cost of Changes in Operations			\$ 3,319
Alternative 9 - Total Cost			\$ 38,951

Attachment 7

Calculation of Proposal Price Scores

Wasteshed	Total Per Day	Percent Change From Current	Point Value Adjustment From 50 Pts	Proposal Price Pts Max 50, Min 0
Metro (Current: CLARTS Trf & Private Haulers to SCL)	\$ 53,304			
1 CLARTS Transfer to El Sobrante (BOS Hauling to WM site)	\$ 64,096	20%	-10	40
2 CLARTS Transfer to AVP/LLRC (BOS Hauling to WM site)	\$ 56,073	5%	-3	47
3 CLARTS Transfer to other sites (BLT Hauling to various sites)	\$ 65,074	22%	-11	39
4 CLARTS to Various OC Landfills (BOS Hauling to Burrtec sites)	\$ 66,044	24%	-12	38
East Valley (Current: BOS Direct Haul to SCL)	\$ 17,350			
1 Bradley Transfer Station to AVP/LLRC Landfill (WM Trf/Hauling to WM site)	\$ 26,526	53%	-26	24
2 Bradley Transfer Station to El Sobrante (WM Trf/Hauling to WM site)	\$ 29,058	67%	-34	16
3 CLARTS Transfer to El Sobrante (BOS Hauling to WM site)	\$ 28,594	65%	-32	50
4 CLARTS Transfer to AVPL/LLRC (BOS Hauling to WM site)	\$ 44,370	156%	-78	0
5 CR&RR Transfer to AVPL/LLRC (CR&RR Trf/Haul to WM site)	\$ 32,463	87%	-44	6
6 CR&RR Transfer to El Sobrante (CR&RR Trf/Haul to WM site)	\$ 35,431	104%	-52	0
7 CLARTS to Various (BLT Haul to various sites)	\$ 48,621	180%	-90	0
8 Proposed TRF Station to Various (BLT Trf/Haul to various sites)	\$ 34,516	99%	-49	1
9 CR&RR Transfer to OC Landfill (CR&RR Trf/Haul to Burrtec site)	\$ 42,127	143%	-71	0
West Valley (Current: BOS Direct Haul to SCL)	\$ 13,563			
1 Bradley Transfer Station to AVP/LLRC Landfill (WM Trf/Hauling to WM site)	\$ 26,786	97%	-49	1
2 Bradley Transfer Station to El Sobrante (WM Trf/Hauling to WM site)	\$ 28,766	112%	-56	0
3 CLARTS Transfer to El Sobrante (BOS Hauling to WM site)	\$ 42,777	215%	-108	0
4 CLARTS Transfer to AVPL/LLRC (BOS Hauling to WM site)	\$ 39,815	194%	-97	0
5 CR&RR Transfer to AVPL/LLRC (CR&RR Trf/Haul to WM site)	\$ 27,844	105%	-53	0
6 CR&RR Transfer to El Sobrante (CR&RR Trf/Haul to WM site)	\$ 33,717	149%	-74	0
7 CLARTS to Various sites (BLT Haul to various sites)	\$ 43,138	218%	-109	0
8 Proposed TRF Station to Various (BLT Trf/Haul to various sites)	\$ 26,795	98%	-49	1
9 CR&RR Transfer to OC Landfill (CR&RR Trf/Haul to Burrtec site)	\$ 38,951	187%	-94	0
Western (Current: 50% So Cal Trf & Haul to SCL, 50% BOS Direct Haul to SCL)	\$ 17,259			
1 Carson Transfer Station to El Sobrante (WM Trf/Haul to WM Site)	\$ 22,542	31%	-15	35
2 Carson Transfer Station to AVP/LLRC (WM Trf/Haul to WM Site)	\$ 21,865	27%	-13	37
3 CLARTS Transfer Station to Various Sites (BLT Haul to various sites)	\$ 30,016	74%	-37	13
4 So Cal Trf Station to AVPL/LLRC (SoCal Trf/Haul to WM Site)	\$ 24,834	44%	-22	28
5 CLARTS Transfer Station to AVPL/LLRC (BOS Haul to WM Site)	\$ 26,982	56%	-28	22
6 CLARTS Transfer Station to El Sobrante (BOS Haul to WM Site)	\$ 29,686	72%	-36	14
Harbor (Current: 104 TPD to SERFF, 90 TPD to BFI Falcon Trf, BFI Haul to SCL)	\$ 7,608			
1 Carson Trf Sta to El Sobrante (90 to SERFF, 104 WM TRF/Haul to WM Site)	\$ 9,520	25%	-13	37
2 Carson Trf Sta to AVP/LLRC (90 to SERFF, 104 WM TRF/Haul to WM Site)	\$ 9,404	24%	-12	38
3 CLARTS Trf Sta to Various (90 TPD to SERFF, 104 TPD BLT Haul to Various Sites)	\$ 11,900	56%	-28	22

SCL: Sunshine Canyon Landfill

Attachment 8

Combined Scores and Alternatives Ranking

Wasteshed	Qualitative Points ¹	Proposal Price Pts Max 50, Min 0	Combined Points	Qualitative Points Ranking	Proposal Price Points Ranking	Combined Points Ranking
Metro (Current: CLARTS Trf & Private Haulers to SCL)						
1 CLARTS Transfer to El Sobrante (BOS Hauling to WM site)	41	43	85	1	2	2
2 CLARTS Transfer to AVP/LLRC (BOS Hauling to WM site)	41	50	91	1	1	1
3 CLARTS Transfer to other sites (BLT Hauling to various sites)	35	42	77	2	3	3
4 CLARTS to Various OC Landfills (BOS Hauling to Burrtec sites)	22	41	63	3	4	4
East Valley (Current: BOS Direct Haul to SCL)						
1 Bradley Transfer Station to AVP/LLRC Landfill (WM Trf/Hauling to WM site)	41	30	71	1	1	1
2 Bradley Transfer Station to El Sobrante (WM Trf/Hauling to WM site)	41	23	64	1	2	2
3 CLARTS Transfer to El Sobrante (BOS Hauling to WM site)	41	0	41	1	6	5
4 CLARTS Transfer to AVPL/LLRC (BOS Hauling to WM site)	41	0	41	1	6	5
5 CR&RR Transfer to AVPL/LLRC (CR&RR Trf/Haul to WM site)	32	14	47	3	3	3
6 CR&RR Transfer to El Sobrante (CR&RR Trf/Haul to WM site)	32	6	39	3	5	6
7 CLARTS to Various (BLT Haul to various sites)	35	0	35	2	6	7
8 Proposed TRF Station to Various (BLT Trf/Haul to various sites)	35	9	43	2	4	4
9 CR&RR Transfer to OC Landfill (CR&RR Trf/Haul to Burrtec site)	23	0	23	4	6	8
West Valley (Current: BOS Direct Haul to SCL)						
1 Bradley Transfer Station to AVP/LLRC Landfill (WM Trf/Hauling to WM site)	41	9	51	1	1	1
2 Bradley Transfer Station to El Sobrante (WM Trf/Hauling to WM site)	41	3	44	1	3	2
3 CLARTS Transfer to El Sobrante (BOS Hauling to WM site)	41	0	41	1	4	3
4 CLARTS Transfer to AVPL/LLRC (BOS Hauling to WM site)	41	0	41	1	4	3
5 CR&RR Transfer to AVPL/LLRC (CR&RR Trf/Haul to WM site)	32	6	38	3	2	4
6 CR&RR Transfer to El Sobrante (CR&RR Trf/Haul to WM site)	32	0	32	3	4	6
7 CLARTS to Various sites (BLT Haul to various sites)	35	0	35	2	4	5
8 Proposed TRF Station to Various (BLT Trf/Haul to various sites)	35	9	44	2	1	2
9 CR&RR Transfer to OC Landfill (CR&RR Trf/Haul to Burrtec site)	23	0	23	4	4	7
Western (Current: 50% So Cal Trf & Haul to SCL, 50% BOS Direct Haul to SCL)						
1 Carson Transfer Station to El Sobrante (WM Trf/Haul to WM Site)	41	38	80	1	2	2
2 Carson Transfer Station to AVP/LLRC (WM Trf/Haul to WM Site)	41	40	82	1	1	1
3 CLARTS Transfer Station to Various Sites (BLT Haul to various sites)	35	18	53	3	6	6
4 So Cal Trf Station to AVPL/LLRC (SoCal Trf/Haul to WM Site)	38	32	70	2	3	3
5 CLARTS Transfer Station to AVPL/LLRC (BOS Haul to WM Site)	41	26	68	1	4	4
6 CLARTS Transfer Station to El Sobrante (BOS Haul to WM Site)	41	19	60	1	5	5
Harbor (Current: 104 TPD to SERFF, 90 TPD to BFI Falcon Trf, BFI Haul to SCL)						
1 Carson Trf Sta to El Sobrante (90 to SERFF, 104 WM TRF/Haul to WM Site)	41	39	80	1	2	2
2 Carson Trf Sta to AVP/LLRC (90 to SERFF, 104 WM TRF/Haul to WM Site)	41	40	81	1	1	1
3 CLARTS Trf Sta to Various (90 TPD to SERFF, 104 TPD BLT Haul to Various Sites)	35	24	58	2	3	3

SCL: Sunshine Canyon Landfill

¹ For those alternatives requiring the use of more than 1 proposer, the qualitative scores were averaged.

Attachment 9

Proposal/Proposer Assumptions¹

1. Waste Management's proposed Bradley transfer station and BLT's Valley transfer station will be ready to use on July 1, 2006.
2. Waste Management will achieve 5% recycling of the refuse accepted at its transfer stations, resulting in reduced disposal costs.
3. Community Recycling will achieve 10% recycling, resulting in reduced disposal costs.
4. Burrtec's disposal capacity will be available for the 15-year contractual period.
5. So. Cal. Disposal can complete its transfer station improvements.
6. So. Cal. Disposal can dispose of LA's refuse at WMI's proposed disposal rates.
7. So. Cal. Disposal will accept 523 TPD, plus increases over time.
8. So. Cal. Disposal will haul the refuse from Santa Monica to the Antelope Valley for its <50 mile rate.
9. It is assumed that So. Cal Disposal will accept 50% of the total refuse collected from the Western Wasteshed, with the remaining refuse being directly hauled to a disposal facility other than the Sunshine Canyon Landfill.

¹Applied to analysis of specific alternatives/proposers.

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION

BUREAU OF CONTRACT ADMINISTRATION

JOINT BOARD REPORT NO. 1

MAY 28, 2004

ADOPTED BY THE BOARD OF
PUBLIC WORKS OF THE CITY
of Los Angeles, California

MAY 28 2004


Secretary

CD: ALL

AUTHORITY TO DISTRIBUTE A REQUEST FOR PROPOSALS FOR DISPOSAL
AND/OR TRANSFER SERVICES OF RESIDUAL SOLID WASTE AT LANDFILLS
LOCATED OUTSIDE THE CITY

RECOMMENDATIONS

Authorize the Director of the Bureau of Sanitation to:

1. Distribute and advertise the transmitted Request for Proposals (RFP) to provide disposal and/or transfer services for refuse disposal at solid waste facilities located outside the City.
2. Form a panel to interview prospective contractors and evaluate the proposals.
3. Return to the Board of Public Works with a request to negotiate contract terms and conditions with the contractors submitting the most responsive proposals.

TRANSMITTALS

1. Copy of the request for proposals to provide disposal and/or transfer services for refuse disposal at solid waste facilities located outside the City limits.
2. Copy of the Landfill Oversight Committee's Interim Report.
3. List of prospective contractors to receive the RFP by mail.

DISCUSSION

The City solicited a RFP for the disposal and/or transfer services in 2003. With the recent purchase of the Central Los Angeles Recycling and Transfer Station (CLARTS) by City of Los Angeles, the two (2) proposals received in 2003 are no longer viable. This new solicitation is necessary to reflect the City's ownership of CLARTS, a significant condition for prospective contractors to consider. Disposal and/or transfer services is anticipated to yield more responses now that the City has acquired CLARTS and is moving forward in developing long range solid waste management planning goals for the residents of Los Angeles.

TRANSMITTAL NO. 2

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
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The City of Los Angeles Departments, as a whole, disposes of approximately 100,000 tons of refuse per month. In early 2001, the Bureau entered into a five-year exclusive contract with Brown Ferris Industries Sunshine Canyon Landfill (Contract No.93688). Under this agreement, the City is obligated to deliver all the residential refuse collected within the East Valley, West Valley, North Central, South Central, and Western collection districts to Sunshine Canyon landfill.

Additionally, the City's current contract with BFI provides for three additional five (5) year options (i.e., a total of twenty [20] years). As such, the City is exclusively dependent on Sunshine Canyon as the repository for its household refuse.

There has been considerable local opposition by community groups to the City's use of Sunshine Canyon that has garnered much significant political momentum. A special Landfill Oversight Committee created by Mayor James K. Hahn (in July of 2002), has directed a strategy to diminish or and eventually eliminate reliance on local landfills.

The City intends to solicit proposals to provide for:

1. The implementation of the Landfill Oversight Committee's recommendations to secure disposal options located outside the limits of the City of Los Angeles by 2006.
2. The replacement of Transfer Service Contracts for transfer of City refuse from the Harbor District should the City elect not to extend the terms of these contracts, by not exercising the five (5) year renewal option.

Service Period - (June 30, 2006 to June 30, 2021)

The proposals for this service period will require the proposed contractor(s) to address one, or both program scenarios presented in the RFP. Primary disposal capacity and/or transfer contractors are being sought to replace current services should the City choose not to extend the term of the service agreement with BFI for disposal service at Sunshine Canyon Landfill beyond June 30, 2006.

The Bureau of Sanitation's 2006 Strategy is a comprehensive integrated waste management approach to reduce dependence on landfills within the City, for disposal of municipal refuse from City of Los Angeles Departments.

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REQUEST FOR PROPOSALS (RFP)

Selection Process

A review panel selected by the CITY, using the criteria outlined in the RFP will evaluate proposals uniformly. Prospective contractors may, at the option of the review panel, be invited to make an oral presentation. The Proposer's key personnel and/or sub-contractor representatives that will be assigned to this project must be in attendance at this presentation. Contractors will be selected on the basis of providing services that best meets the City's long-term collection and disposal service needs.

The review panel will perform an inspection of the contractor's facilities to evaluate the adequacy of the contractor's ability to perform this work. Contractors submitting qualified proposals satisfying the criteria stated above will be invited to participate in the solicitation of bids for the needed services.

Estimated Annual Value Of Proposed Contract

Approximately 1,134,000 tons of refuse is collected annually from the City's curbside collection program. The average unit cost for disposal is \$23.40, which amounts to an estimated contract value of \$26,535,600. The additional costs to transfer City waste vary greatly depending on the location of the final disposal site(s) and mode(s) of transportation offered by potential contractors in their proposal for services from each wasteshed.

Proposed Term Of Contract

The proposed term of the contract will be five (5) years, with two (2) five-year renewal options (total potential contract term of twenty (15) years from 2006 to 2021).

World Wide Web

The RFP will be posted in the City's World Wide Web Site in compliance with City Council Motion 95-1060-S2.

Newspaper Announcement

Upon authorization from the Board, this RFP will be advertised in Metropolitan News, the Los Angeles Daily Journal, Los Angeles Sentinel and La Opinion.

Compliance With Board RFP Policy

As per Board policy, this RFP was delivered to the Secretary of the Board prior to Board consideration thereof.

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
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Other City Requirements

Proposers shall be required to comply with the provisions of the City's Affirmative Action Program, Insurance Guidelines, Child Support Obligation Ordinance, Child Care Policy, Living Wage Ordinance, Equal Benefit Ordinance and MBE/WBE/OBE Subcontractor Outreach Program requirements. The anticipated level of MBE and WBE participation for this contract is 15 and 5 percent, respectively. Selected vendors will also be required to obtain a Business Tax Registration Certificate (BTRC). Attachments and forms pertaining to these requirements are included in the RFP.

Notification of Intent to Contract/Charter Section 126

The required Notification of Intent to Contract was filed on May 10, 2004 with the CAO Clearinghouse for the proposed RFQ.

Charter Section 1022

A Charter Section 1022 determination was requested for these specific services on May 2004.

All contractors participating in this program are subject to compliance with the requirement specified in the City of Los Angeles' Contractor Responsibility Ordinance #173677, (Article 14, Chapter 1, Division 10, L.A.A.C.). Failure to comply with all requirements specified in the Ordinance will render the bidder's contract subject to termination pursuant to the conditions expressed therein.

In accordance with Article 13, Chapter 1, Division 10 of the City of Los Angeles Administrative Code, the appropriate City personnel responsible for the quality control of this Personal Services Contract shall submit Contractor Performance Evaluation Reports to the City Administration Office (CAO) upon completion of this contract.

FUTURE ACTION

Upon authorization by the Board, this RFP will be sent to the firms listed in Transmittal No. 3 and will be advertised in the local newspapers.

The Bureau will return to the Board with the results of the evaluation process and request the Board to authorize the Bureau of Sanitation to enter into negotiations with the contractors submitting the most responsive proposals.

BUREAU OF SANITATION
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(JP KG AH EZ CMM)

COMPLIANCE REVIEW PERFORMED
AND APPROVED BY:

Hannah Choi
HANNAH CHOI, Program Manager
Office of Contract Compliance
Bureau of Contract Administration

Respectfully submitted,

Rita L. Robinson
RITA L. ROBINSON
Director
Bureau of Sanitation

Brian Williams
BRIAN WILLIAMS
Interim Director
Bureau of Contract Administration

Prepared by:
Javier Polanco, SRECD
(213) 473-7921



May 19, 2004

Mr. Enrique Zaldivar
Assistant Division Manager
City of Los Angeles
Bureau of Sanitation
419 South Spring St. Suite 900
Los Angeles, Ca 90013

RE: City Disposal at Sunshine Canyon Landfill and New ten year proposal for City of Los Angeles residential waste disposal

As you know, the Sunshine Canyon Landfill is in the final stages of its permitting process before the opening of the initial phase of the City side of the landfill. We expect this opening to be by the end of this year. While some City officials have publicly stated that the City will no longer dispose of its residential trash at the Sunshine Canyon Landfill after June 30, 2006, BFI has not been informed that this is the City's policy in that regard.

BFI has incurred significant additional costs associated with delays in the issuance of its permits from the State and the City, primarily as a result of opposition of those permits by certain City officials and a small local group. These costs include:

- City-imposed LEA fees being charged for an *operating* City side landfill which is *not operating*. These costs are estimated to be \$561,000, assuming a December 2004 opening of the City side of the project.
- Additional permitting, consulting, and legal fees
- 1 million cu.yd. (700,000 tons) of permanently lost airspace on the County portion of the landfill in order to accommodate City trash. This loss is directly attributable to delays in the opening the City side of the landfill.
- Numerous additional and onerous permit conditions
- Additional financial assurance, worker compensation and risk management costs

BFI must be able to recover costs associated with the items listed above. The total loss and additional cost due to these delays and operational requirements amounts to over \$20 million dollars. As the economics of running a state of the art landfill change, our disposal rates must obviously reflect the costs of operating the facility.

Additionally, we believe that the terms and conditions of our disposal agreement with the City allow for recovery of these costs.

To that end, Browning-Ferris Industries of California, Inc. (BFI) is pleased to submit this proposal to enable the City of Los Angeles to secure low cost, reliable, long-term and environmentally sound disposal for its residential waste stream, as well as other waste delivered to its recently acquired downtown transfer station. **This proposal, in addition to the City side landfill opening, would benefit the City's General Fund by over \$170 million dollars over the next 10 years by BFI estimates, in comparison to the City's other options** (see attached rate schedule).

Extensive analysis by our project team, leads us to believe that other disposal options recently presented to the City are not presently viable; and, even if such options were viable, they would cost millions of dollars more and have substantially greater environmental impacts on air and traffic than Sunshine Canyon Landfill. Specifically, there is no Valley transfer station, either permitted or built, that can transfer waste to remote landfill locations. Further, such identified alternative remote landfill locations lack the permitted daily capacity for handling City waste and face community opposition if waste from Los Angeles City is exported to their communities. These conclusions were in fact verified by the results of the City's most recent Request For Proposals for disposal services.

Benefits of the Sunshine Canyon Proposal include:

- **\$170 million savings** versus the next best offer made to the City for its residential waste inclusive of franchise fees by our estimates
- **A low-cost, long-term disposal option for all third party commercial waste at the City's downtown transfer station at the City's preferred rate that could add \$12 million more cash flow to the City, assuming only 500 tons per day.**
- **A two year rate freeze for City transfer station waste**
- **An additional \$40 million of projected franchise fee revenue** for other tonnage disposed at the City side of the Sunshine Canyon Landfill operating at capacity. These funds can go directly to the City's General Fund.

While it is our desire to continue to work with the City and reach agreement on a long-term extension, we also need to gain perspective on future volumes and customer requirements that we will need to accommodate at the facility (both short and long term). To that end, if it is truly the City's intent to cease disposal at the Sunshine Canyon Landfill in two years, we would like to be formally informed within 30 days of the date of this letter (by June 15, 2004).

BFI needs to understand the City's official intent so that we can finalize long-term contracts with several other cities and private disposal companies which view long term, low cost, environmentally sound and guaranteed landfill airspace as a valued commodity.

Should the City determine that a long-term extension is not in their best interest, BFI would still be in the position of having to recover the costs and value of the lost airspace outlined above and would not be able to offer the discounted rates outlined in the attachment. Rates for disposal of City waste at Sunshine Canyon under this scenario will increase substantially and could be up to 50% higher depending upon the source of the material (i.e. direct haul or transfer material). These new rates would be effective July 1, 2004 and subject to increases for operational costs as well as changes in law and increased or new government fees and taxes.

In accordance with the terms of the existing Disposal Agreement and it's Amendment, BFI reserves the right to stop accepting City trash earlier than June 2006 or at a later date dependent upon demand for disposal services at the landfill. If it is the City's policy that the City does not wish to dispose of its residential trash beyond June 2006, Sunshine Canyon's new municipal and private disposal company customers may wish begin disposal sooner than 2006. Thus, the City of Los Angeles' disposal capacity would be displaced by the new customers as their contracts become effective.

BFI and the Bureau of Sanitation have enjoyed a cooperative relationship that has been beneficial to both parties over the last eight years. It is our desire to continue this partnership. We believe our proposal allows for that relationship to continue for at least another 10 years and benefits the City of Los Angeles and the citizens of this great city.

I look forward to hearing from you to discuss our proposal and thank you for your consideration.

Sincerely,



Greg Loughnane
District Manager
Browning-Ferris Industries of California, Inc

cc: Mayor James K. Hahn
Members of the Los Angeles City Council
Los Angeles City Board of Public Works
Chief Legislative Analyst Ronald F. Deaton
City Administrative Officer William Fujioka
Los Angeles County Board of Supervisors

City of Los Angeles Rates

New Ten Year Proposal - Cost per ton*

* - Including all existing fees, taxes and royalties

Rate Effective Date	Transfer Rate Metro/Western Area	Direct Haul Rate Valley/Western Area
Current Rates	\$23.14	\$23.34
July 1, 2004	\$23.53	\$24.47
July 1, 2005	\$23.53	\$25.24
July 1, 2006	\$24.28	\$27.81
July 1, 2007	\$25.05	\$28.90
July 1, 2008	\$25.83	\$29.99
July 1, 2009	\$26.63	\$31.10
July 1, 2010	\$27.44	\$32.23
July 1, 2011	\$28.26	\$33.37
July 1, 2012	\$28.94	\$34.53
July 1, 2013	\$29.79	\$35.70

Notes:

2004 transfer rate is frozen for two years

All prices subject to increases for changes in law and fees from State, City and Local entities.

Rates assume all City volumes and existing 50/50 split of Transfer and Direct haul volumes.

Rates assume use of single composite liner system at the facility